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West Europe Report

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8 October 1985

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POLITICAL

EUROPEAN AFFAIRS

YOUTHS' INTOLERANCE OF EMIGRANTS FANNING NEO-NAZISM

Helsinki HELSINGIN SANOMAT in Finnish 20 Aug 85 p 7

[Article by Eeva-Liisa Rasanen]

[Text] Extreme Right appeals to youths and foments hatred of immigrants in West Europe.

"We're not neo-Nazis and we don't want to fight with immigrants. But we are against their trying to seduce our girls, who like the dark good looks of the refugees."

The whole neo-Nazi situation in West Europe is summed up in the young Swede's opinion: The aspect of neo-Nazism that is of greatest current importance, hatred of foreigners, is gaining at least quiet support, even though the activities organized by the neo-Nazis are shunned.

The latest examples of acts of violence directed against immigrants come from the Scandinavian countries where people have until recently regarded immigrants with tolerance.

In Kalungborg, Denmark, attacks on Iranian refugees involving over 400 youths at the end of July and beginning of August were apparently unorganized riots. A program dealing with National Socialism presented by 25-year-old neo-Nazi Jorgen Nielsen that was broadcast in early July, however, preceded the race riots.

On his program, which created a big stir, Nielsen among other things condemned adoptions if the child is not Danish. "A Danish passport does not make a Dane of anyone," Nielsen said.

Danish neo-Nazi director Poul Heinrich Riis-Knudsen, who said that foreign workers must not be accommodated in the society but must be deported "before it is too late," also participated in the program.

In Norway neo-Nazis demonstrated their hatred of refugees by exploding a bomb in the Muslim mosque located in Oslo in June. A Pakistani woman was injured in the explosion.

The police arrested 11 members of the neo-Nazi organization, National People's Party, among them organization leader Jan Odegard, for the terrorist attack. A 19-year-old youth who, despite his youth, had managed to carve a career for himself in the neo-Nazi organization. He was the secretary of the organization as well as an active distributor of Nazi propaganda. He had also participated in the international Nazi conference held in Stockholm.

Sweden's neo-Nazis displayed their enthusiasm by assembling last April in Vaxjo where they tangled with the police. The neo-Nazis are causing the Swedish security police concern even though, according to the police, the groups are small in Sweden. According to the security policy, the groups' close relations with foreign neo-Nazi organizations nevertheless offer cause for concern.

Nazi Tradition Preserved

In the traditional Nazi way, neo-Nazism is aimed at "keeping the Germanic race pure." In its time this racial doctrine led to anti-Semitism, which has been extended to hatred of foreigners as immigration and refugees in exile have become common in the West European countries.

The other objects of organized neo-Nazi loathing are the same as they were under traditional Nazism: democracy, sexual minorities, communists. The neo-Nazis have condemned the murders of Jews and the concentration camps as being distortions of history, "the lie of the century." Hitler is still regarded highly: He is considered to be an example of a good leader.

The political goals of the neo-Nazis' activities have been the characteristically incoherent ones of the extreme Right; there is not, for example, a clear statement of program in circulation. One leader of the extreme Right has even said that "a fascist revolution must not be burdened with plans and methods."

Youths, Jobless Constitute Most Fertile Soil

In the 1930's and during the World War II years Nazism received support from the middle class and the rural population. The "classification" of the neo-Nazis is less clear than that of the Nazis; typical of their backgrounds is the fact that they have no professional training. Many of the supporters [of neo-Nazism] are unemployed.

The most striking characteristic among the neo-Nazis is the large proportion of young people. Training youths in neo-Nazism is regarded as important: Youths have their own training programs, training camps are organized for them and weekly meetings.

For example, young people, whom the couple acquaint with neo-Nazism, meet in the Mainz home of Ursula and Kurt Mueller, who are among the neo-Nazis in West Germany. Mostly jobless youths come to the Muellers' home, which is called a leisure time club. Many come out of curiosity, one of the youths said.

Ursula Mueller, whom they all refer to as mother, explained that the young people seek human warmth at their place "because their parents do not care about their children."

West German security officials calculate that there are all told about 1,400 neo-Nazis in the country, about 230 of whom are activists. It is estimated that there are over 20,000 West Germans in extreme Right organizations.

Sentinels of Democracy Are Concerned

Up until a few years ago those who wield power in West Europe regarded neo-Nazism and conservative radicalism as a harmless business that stayed within the law, from which it was not felt that a real danger to society was arising — especially since numerically there were and still are few neo-Nazis.

This credulousness was the result of a miscalculation of conservative radicalism during the past couple of decades: The movement was regarded as the toothless threats of veteran fascists.

Government leaders and especially officials responsible for security have, however, had to admit that the parties of the extreme Right, which function within the limits of the law, are indeed important channels for terrorism.

Furthermore, more and more evidence of international neo-Nazi connections is coming to light. In the estimation of some, the neo-Nazis have an international organization which has its headquarters in West Germany.

Efforts have been made to control neo-Nazi activities by disbanding and banning the more conspicuous organizations. In Finland the Paris Peace Treaty bans fascist activities and the security police keep watch over compliance with it.

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POLITICAL

BELGIUM

PSC'S NOTHOMB ON ELECTION, COALITIONS, PERSONAL VIEWS

Brussels LE SOIR in French 6 Sep 85 p 2

[Interview with Charles-Ferdinand Nothomb, vice prime minister and minister of the interior: "Nothomb, 'Balance Fanatic in Belgium': 'Our Vocation Is To Form a Counterweight...'" ; date and place not given]

[Text] For Charles-Ferdinand Nothomb it is essential that a door be neither open nor closed. All doors must remain half open. To multiple possibilities. To a full range of alliances. To the ever so enticing potentialities of the art of the possible...

It is a fascinating exercise to try to have a dialogue with this professional -- oh, so very --, alternately perfectly smooth or bristling, evasive or peremptory, opaque or... astoundingly sincere.

His words most often slide like sand between one's fingers, deteriorate from digressions into tangents, straying quite far away from his original statement. Except for the fact that the internal logic of those words will rise to the surface, become more pronounced and finally recurrently color his answers to all the questions.

A logic which apparently can be set out in three axioms, three propositions, which are cardinal like virtues:

- 1) It is always better for the greater good of the regime and in order for the system to work well, that the Social Christians (and himself) participate in the government, whoever the partner may be, because that makes it possible to limit the damage that a few extremists, from the left or the right, could cause.
- 2) The calling of the Social Christians (and his own) is that of a permanent counterweight. When the wind blows to port on the government ship, Nothomb will throw himself to starboard. And vice versa. True, that will cause yaws but it will keep the vessel from being diverted toward some unknown reefs or other.

3) In this perspective it is childish to raise one's voice, to engage in the small game of killer phrases, to poison relations within the microcosm.

Similarly, it is foolish to exclude anyone. He was asked to draw a portrait of Jean Gol, to recall the qualities and faults of his dear colleague. He evaded the issue with two simply admirable statements: "Why would you want me to stress the qualities of a man who will be our rival in the elections? Why would you want me to stress the faults of a man next to whom I may have to be seated within a new coalition?"

Is that clear? In any case, it is Nothomb! And it is the PSC [Social Christian Party (Walloon)]! And it is perhaps... Belgium! Because for the vice prime minister, that approach happens to be well understood by the Belgians, to be appreciated and, today as yesterday, to be considered indispensable.

That "balance fanatic" (that is how he describes himself) made an electoral prediction which will surprise the pollsters: "The PSC will win several seats. In any case, it will win one in Luxembourg..."

After which, the road will obviously be mapped: it will be necessary to do everything in one's power to be "part of it," and one will know what track to choose, the one to port or the one to starboard...

[Question] The government is ending in disarray, after having had such a good start. Isn't it too bad?

[Answer] What has been achieved remains achieved! The majority remained united for nearly 4 years because it had ambitions. The priorities we had chosen were the economic area and the social area. We have always had something in front of us: devaluation, the special powers, etcetera. Even after the misfortune of the Heysel and the July crisis, the spring didn't break.

[Question] Except that the PSC took the bit between its teeth with regard to the problems of education. Many people say that the reason for this is the fact that, for you, this is a good electoral theme.

[Answer] I didn't take the bit between my teeth! We didn't want to have anything to do with "59b." The matter has been clear to everyone for a very long time. Last February, our congress expressed itself very clearly on the subject. But they wanted to force us, to drive us back. Everybody claimed to be ready to offer us guarantees, but they were only promises. Should we dismantle our defenses for the sake of ordinary promises? That would have been enormously naive.

[Question] But, from an electoral point of view, is this theme profitable?

[Answer] Education is a major problem. But its communitarization doesn't excite the masses. That demand is a political calculation of Flanders and of the socialists. The issues which are important to the people are those which affect the quality of the schools. I have a great deal of contact with my electorate these days...

[Question] What an admission!

[Answer] Well no, that is normal! I have very intelligent voters who prefer to know that I am working in Brussels than to see me at the church bazaars... Those voters wondered: "Will the PSC hold?" Well, it did. The image has been maintained. And I thank the CVP [Social Christian Party (Flemish)] and the PS [Socialist Party (Walloon)] for that.

[Question] But is it still profitable to wave the specter of the "nasty Flemish" and the "nasty socialists"?

[Answer] I will never develop that kind of theme. It is normal for the CVP to try to increase the financial resources and the autonomy of action of Flanders. But we don't have the same point of view. If I had to find an electoral payoff in this crisis, it would be the image that the PSC has "held." That is important. We were able to keep to a course. As a matter of fact, that crisis did not tire me. Tiring crises are those in which one has doubts. And here, the line was clear.

[Question] But will you find yourself isolated the day after 13 October, somewhat like the SP [Socialist Party (Flemish)] in terms of the missiles?

[Answer] We were asked to hand over the keys of our house, in which all our treasures are locked, to a stranger. To lower our defenses. That was not possible. Nobody knows who will be in charge after 13 October. But the day after the elections, the debate will shift to a different level, a much more concrete one. There will be talk of norms, money. There will be something to debate.

[Question] What are, in your opinion, the points which will have to be included in the program of the next government? And which cannot be avoided?

[Answer] We will have to keep stressing the economic and social issues. We must not return to political instability and to institutional discussions. But that doesn't mean that enormous amounts of things could not be achieved on that level. One could, for example, alter the regionalization laws of August 1980 and prepare a constitutional revision for 1990: 1970, 1980, 1990, those are three nice stages! We will also have to ensure the stability of the government and continue the recovery policy. I cannot imagine four serious parties forming a government of short duration.

[Question] What kind of alliance would you like after the elections? Are you still attached to the current coalition?

[Answer] If they maintain the majority, the four parties in the current coalition have already said that they want to continue the same policy. Hence there will be no problem. It will be the right formula. All the more so as we are already used to working together...

[Question] Would you go so far as to join Messrs Swaelen, Martens and Deprez, who have announced that they would not participate in a reversal of alliance?

[Answer] If it is possible for the majority to continue, then I will fight for it to do so, even if I have to confront my party. Sorry: some members of my party... If we don't keep the majority, then I would fight to achieve a coalition around the Christians and the liberals.

[Question] Would you go so far as a three party government with the socialists?

[Answer] I defended it in 1981 when I was formateur. I thought that the scope of our financial problems required a government which would command a large majority. That was not possible then. I don't think today that the conditions have been met to achieve a strong majority with a large majority. All the more so as a very large majority would have two-thirds of the votes in parliament and would be tempted to make institutional decisions.

[Question] You have seen labor majorities with the socialists from close up. How does that work?

[Answer] The basic problem is that the PS does not allow its ministers any freedom. I have seen my socialist colleagues in the government interrupt our work to ask their party for instructions, to record the ukases. I have experienced it, I have suffered from it, I have been humiliated for those ministers. That is not due to the ideological nature of the PS, but to its participative nature.

[Question] But the socialists have changed. Today they are talking of 'leftist rigor,' aren't they?

[Answer] That rigor would come about inevitably if they returned to power, but only after a few experiments which our country would be better off doing without. One can have an economy of revolutions and regressions. And just as I don't see Belgium getting mired in the community mess, I don't see it falling into the mess of the missiles. I would also fear a return to institutional questions, even if Mr Spitaels' federalism is more radical in words than in content.

[Question] Would a liberal-socialist government be possible?

[Answer] I am indeed afraid of that possibility. Some people in the PS and among the liberals are thinking about it, but without daring to tell the voters. As a matter of fact, that is why I believe that the likelihood of such an alliance is not all that great, because if the liberals were to achieve it they would be massively repudiated by their voters. There would be an esthetic pleasure in seeing such a coalition function and fall, but that would not compensate for the inconveniences the country would suffer...

[Question] Would a spell in the opposition scare you?

[Answer] To implement the ideas I stand for, I prefer to participate in a government. It is true that being in the opposition has charming aspects. The weight of the government is heavy. To constantly take the opinion of others into account is not easy. To be radical and tough in the opposition is a temptation. But I think that a party must aim for power. I would also be afraid that in a coalition with the socialists alone, the liberals may be eroded. In the face of the socialist weight, you need a counterweight which we represent better than the PRL [Liberal Reform Party (Walloon)], thanks to the fact that we are established more solidly.

[Question] But this idea of being a compulsory partner, constantly oscillating from left to right, doesn't that give the PSC the image of a vague party?

[Answer] We are a party of balance. We want to keep the church in the middle of the village. I like to use comparisons in terms of sailing. The side toward which the boat tilts is not very important; what is important is the course to follow. If everybody sits down on the same side, the boat will capsize. We have to form a counterweight in order to secure the boat's route. I know very well that political scientists prefer clear-cut situations like those in Great Britain or in France, but that is not where the population's interest lies!

[Question] And if the PSC -- a pure hypothesis -- were to be alone. Would it be center left or center right?

[Answer] I was president of the PSC for a long time. I was able to breathe the answer to that question. The PSC is first of all a traditional party which supports the Belgian system. We are not conservatives but Belgian traditionalists. We are also a party of social inspiration. There is a constant impulse for social innovation which comes to us from our left wing, whatever its numerical strength may be. That mixture of traditional and social is very important.

[Question] But, in 1985, aren't you more inclined toward the right?

[Answer] The choice was to enter into a center right coalition because of the economic realities and because of the inability of the socialists to respond to the crisis. But we also brought in a social policy. Mr Hansenne is recognized in Europe as an innovator in social matters...

[Question] The elections are drawing near. The PRL wants to cut a wide swath. The PS is making sheep's eyes at the Christians. The SeP [Solidarity and Participation] works on your left wing. Aren't you under attack from all sides?

[Answer] I think that the Belgians are smart. I don't see anyone being seduced by the sheep's eyes of the socialists. The current situation of the PSC is much better than in 1981. We express ourselves clearly, whereas in 1981 we weren't very proud following the fall of the Eyskens-Mathot administration. This administration has been a good one. Without trickery. Except perhaps in July, but that is all over.

[Question] What is your forecast for the elections?

[Answer] The four coalition parties will maintain their majority and the PSC will do better than in 1981. As president of the party, I noticed that the gain of a single seat could already change a whole political reality.

[Question] You are only hoping for one additional seat?

[Answer] Ha! One additional seat in Luxembourg! But we will have other gains in Wallonia and a status quo in Brussels.

[Question] It is the PRL which exploits Martens' trademark in its campaign. Why don't you?

[Answer] The PRL is talking about a Martens-Gol administration. Gol has the advantage of having a short name, easy to put in a newspaper headline! But we are the ones who will invite Martens to come and talk in Luxembourg or in Liège to attend our party convention. We have not only participated in a coalition with Mr Martens. We are part of his family! For 80 percent of the issues we are in complete agreement. We understand one another without trying. Of course, these days the press will talk abundantly about the remaining 20 percent. But smart voters will think about the 80 percent...

[Question] And what about federalism? Has too much been made of it or too little?

[Answer] I am not a unitarist as has sometimes been said! I am a fanatic of the Belgian balance! The reforms of 1970 and 1980 are significant. And they have produced an "improvement" of the central state. The facts are there, whatever the disgruntled people may think about it, even if the laws are imperfect. Hence, I am not opposed to those laws, even if I want a fusion of the Region and the Community, so that people can understand it. I don't even have any hesitancy about increasing the authorities of the regions. As long as those related actions are implemented. You can delegate a great deal to those who are not trying to destroy you...

[Question] But doesn't the majority of the country want to go further? Isn't the main tendency that of the PS and the Flemish parties which want to take a further step toward federalism?

[Answer] At the time of the Egmont pact we were already told that the dominant parties in the three regions would settle everything. It was a total fiasco! The dominant parties do not have the last word on everything. That is the prototype of an incorrect political assumption... Today also, those who judge the non-majority parties as rubbish are making a mistake!

[Question] You don't believe then in the Flemish will to accelerate the movement?

[Answer] The Flemish are not any more stupid than we are. They know that the priority rests with the economic and social issues. The idea easily held by

the French speakers, of a Flemish steamroller, of a Flemish consensus, is wrong. I talk to the Flemish. I know them.

[Question] Is there a federalist wing within the PSC?

[Answer] We are all federalists of the union! But it is true that there are differences in emphasis. Within the PSC, there was a time when they accused me of being too reformist. Today, I am sometimes accused of not being enough. I like the regions which develop a good image for themselves. I like "Wallifornia." Geens was very clever with his "Flanders Technology." That is better than Dehousse style cock-a-doodle-do's or village squabbles.

[Question] And what about the Brussels region? Will that stay on ice?

[Answer] I think that there will be a way to find a solution for the Brussels region during the next legislative session. Today Brussels no longer seems like a threat, neither in Flanders nor in Wallonia. I saw it when I established the recovery funds for Brussels municipalities. As for the outskirts, what is important is peace and not war. People on both sides want peace.

[Question] But do you support Mr Clerfayt's idea: not to enter into any government unless it settles the problem of Brussels?

[Answer] Belgium must be governed. The Belgians would not understand anything else...

[Question] Let us turn to the more personal part of our interview. What do you think about Jean Gol?

[Answer] I hope, as I have told you, that the current coalition will be renewed. Why would you want me to stress the qualities of a man who will be our rival in the elections? Why would you want me to stress the faults of a man next to whom I may be called to sit in a new coalition?

[Question] Francois Perin said about him: "The state, he is it. He wants power, even if it is not to do just anything with it." What do you think about that?

[Answer] Francois Perin is a delightful man...

[Question] You really don't want to say anything about Gol?

[Answer] No.

[Question] You would agree to remain vice prime minister at his side?

[Answer] Certainly!

[Question] Who are the politicians who have impressed you most?

[Answer] I got on well with Mr Cools because he is a sincere and warm man. The collaboration between Christians and socialists was made possible because of that. Mr Cools always shouts a great deal. That is why, when we had to negotiate, I always sat right next to him because it is always difficult to shout at someone sitting right next to you. That was my tactic. The other important personality for me was Martens. There are remarkable similarities between him and me. We were born 2 weeks apart. We became party presidents still 2 weeks apart. In spite of the crises and cleavages, I have noted that the successes and failures of the CVP and the PSC have always been parallel. Which shows that the voters are more interested in the 80 percent which unite us than in the 20 percent which divide us.

I have a great deal in common with Hugo Schiltz. In the Council of Ministers I am also a neighbor of Herman De Croo; he is my friend. I have known him for a long time. When I was president of the PSC youth, he presided over the PVV [Party of Liberty and Progress (Flemish)] youth, and Jos Wyninckx over the PS youth. The Belgian system is based on integration. Its politicians rub shoulders very often. That is a good thing!

[Question] What were the best and the worst moments in your political life?

[Answer] I have few moments of discouragement. I have an optimistic disposition. If I get a blow, the next day I am already developing other projects. That is necessary for a politician. You always have to keep a certain detachment. That is why I am always happy to go home, to my Luxembourg. I meet people there whose concerns are totally different from those that perturb us in Brussels. The most painful moment of my political life was the municipal election of 1964. I lost it! It was a sharp slap which taught me caution. And the most painful moment because this failure took place within my universe, caused by people whom I interacted with every day. It is a failure which was terribly internalized. Compared to that, Brussels politics has never seemed difficult to me.

But great satisfactions have come my way from my victories as president of the PSC. And also, every time you find yourself at the core of a problem, when you succeed in untangling things...

[Question] In what did you succeed best?

[Answer] The Flemish say that I am a spoiled brat who has everything and wants everything. "It is our turn," they tell me while asking me for "59(b)." But it is not that at all!

When I review my political career, I see that on several occasions I made the right choice. My whole generation in my youth, on the Catholic side, rallied to the FDF-RW [Democratic Front of Brussels French Speakers-Walloon Rally]. I was the only one to choose the PSC. You can see the result today! And when I became a candidate for the presidency of the party against Leon Servais and I lost, I accepted that defeat. People were grateful to me for that and later on I was elected president. On the other hand, I made a mistake in becoming president of the House. I was too young. I was not prepared because I had

never been president of a group. Parliament, which is terribly conservative, accepted me badly. On the other hand, I have been very happy at the Ministry of the Interior. When I got there everyone was saying that that ministry was doomed. Nobody says that any longer. The same goes for the PSC...

[Question] And what about the Heysel? What do you think about it today?

[Answer] On that occasion I really understood what television and world news is all about. Eighty percent of the Belgians were sitting in front of their small screen. They saw it and felt a deep emotion.

This required a response. You had to talk, to meet that shock. I didn't understand that. Italian correspondents wrote to me saying that I should have spoken on television, as Mrs Thatcher had done. They accused us of poor handling of our public relations. I lacked warmth, lacked emotion at the right time. Instead of defending my gendarmes as I did. I should have said that it was a tragedy, announced an investigation...

[Question] But basically, you don't regret anything?

[Answer] I followed a coherent line. And I am pleased to have done that. Those responsible for the tragedy were not the gendarmes. They were first of all the English supporters, and then the organizers. I didn't want the gendarmes to become the scapegoats. A resignation on my part might have been skilfull, but it would have let people believe that Belgium was responsible for the tragedy.

And we were not responsible.

[Question] Did you suffer from the blows you received?

[Answer] When I am convinced of something, then the blows don't bother me...

[Question] Would you like to stay at the Ministry of the Interior?

[Answer] Yes.

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POLITICAL

BELGIUM

BRUSSELS POLITICAL LEADERS ON IMMIGRATION ISSUES

Brussels LE SOIR in French 17/18 Aug 85 p 2

[Interview with Francois Xavier de Donnea, representative and secretary of state for development cooperation (PRL [Liberal Reform Party (Walloon)]); Jean-Louis Thys, mayor of Jette (PSC [Social Christian Party (Walloon)]); Guy Cudell, senator and mayor of Saint-Josse (PS [Socialist Party (Walloon)]); Georges Clerfayt, representative and president of the FDF [Democratic Front of Brussels French Speakers]; Jacques Moins, secretary general of the Brussels federation of the PC [Communist Party]; Denis Leduc, secretary for the Brussels region and municipal councillor in Molenbeek (ECOLO [Ecology Party]); Willy Thys, president of the SeP [Solidarity and Participation]; and Robert Hendrickx, representative and president of the UDRT [Union for Democracy and Respect for Labor], by Beatrice Delvaux, Catherine Ferrant and Saturnin Gomez: "Drive Out or Integrate? Eight Politicians Faced with Immigration in Brussels, 'Electoral Issue'"; date and place not given]

[Text] Why did the political parties choose to make immigration an electoral issue? Was it inevitable? This is the basic question responded to today by our eight invited guests who, in turn, specified the major points of their program on this issue. Before getting into a more polemic, more precise also, debate which we will publish in our future issues. As a matter of fact, at the same time we will publish a large table presenting the responses of the eight participants to more personal questions.

Question: Will the immigrants form a key issue in your electoral campaign?

Xavier de Donnea: That issue will have to be raised during the campaign. If only because, according to the survey published by LE SOIR, one out of every two inhabitants of Brussels is worried about immigration, and in a negative sense: fear, rejection... But we will avoid slogans! We need to propose a clear but nuanced program. Ours is based on the implementation of the Gol law, which is a first step toward solving the problem: end to immigration, especially when illegal; improvement of welcome and integration procedures; later on, making naturalization easier for those who are sufficiently integrated. We say no to the abuses and we propose to turn back those who don't respect the laws of hospitality, who commit acts of violence and who live unjustifiably at our expense.

Question: Mr Leduc, does ECOLO subscribe in broad terms to such a program?

Denis Leduc: Our program will focus on the political rights of immigrants: the right to vote and the eligibility of immigrants to participate in municipal elections; revision of the constitution in this sense. Those political rights do not settle the economic, social and human aspects of the issue. That is why our urban renewal program and our cultural program provide for a better integration of the immigrants. The problems of living together one encounters, especially in the oldest municipalities in Brussels, never boil down to the fact that part of the population is foreign! The city exudes, brings about those problems, and a party which presents itself in a city must tackle them.

Question: Mr Moins, will the PC also campaign on the theme of immigration?

Jacques Moins: Certainly. The campaign conducted or orchestrated around themes such as security have made this question very acute recently. Things have to be put back into place... One inhabitant of Brussels out of four is not Belgian. Unless one wants simply to submit to a reduced universal suffrage, it becomes essential to wonder what we are going to do for that quarter of the population.

Question: And what does your program say?

Moins: We have lured people here to work; the authorities have not shown any concern for them, and today they find themselves with a problem. There are simple solutions such as naturalization. We are not against it, but that is not enough. We have to go so far as to grant the right to vote, at the municipal elections. The Gol law is a step back from what was enacted in 1980 and gave the beginning of a status to the immigrants. The reintegration subsidies, the refusal to register in certain municipalities, make us skeptical about their effectiveness. And besides, they contribute to the fostering of a climate of suspicion, of mistrust on both sides, because one should not talk about the immigrants as if they were angels... An end to immigration has been provided for by the law since 1974. With well known effectiveness. And one should not underestimate the demographic rejuvenation which the immigrants represent in our country... Hence the need to try to integrate them completely, especially the second and third generation young people who find themselves straddling two cultures. We have to succeed in providing content to what today is a beautiful hollow formula: a multicultural society...

Extreme, Radical, but Inevitable

Question: Mr Hendrickx, what does the UDRT think about it?

Robert Hendrickx: It is not immigration itself that is the problem, but rather the excess of immigrants who are difficult to integrate or who cannot be integrated at all. In 1981, the PRL promised a reduction in the number of immigrants, the establishment of a tolerance threshold beyond which one could not go, and the sending back home of the immigrants. Nothing has been done and that is what forces us to deal with this problem today. The Gol law was a big hoax perpetrated on public opinion. It involves only about 100 individuals!

Its only concrete contribution has been the creation of a commission which is supposed to discuss this issue. And even then, Jean Gol himself fought that project... A "nuanced" policy won't do any good. You have to listen to the justified complaints of those who have to suffer the problems of this concentration of immigrants, often poor in some municipalities.

It is no longer enough to implement general measures. Mr Moins was right in noting that immigration has officially been ended since 1974. To say that you are going to stop immigration legally is just hot air!

Question: What does your party propose?

Hendrickx: There are two possible ways to go: (1) settle the problems of the integrated immigrants and (2) consider that those who came here not to become integrated but for purely economic reasons have no reason to stay from the moment that the economic conditions change! We should consider sending them back to their country, under the best circumstances. To keep them here, often against their will -- because at the cultural and human level they are not happy -- doesn't do any good. In Brussels, we have exceeded the possibilities of integration. We need to stop the arrival of immigrants, whether they come from abroad or from Genk, or Liege... One should be able to authorize the mayors of Brussels to prohibit the registration of immigrants and even, in ghetto municipalities such as Saint-Gilles and Saint-Josse, authorize the refusal of foreigners coming from other municipalities in the country. That is extreme, it is radical, but, because the time was never taken to implement the necessary measures, we are now faced with that... All the more so as -- and I repeat it -- those immigrants have no desire to become integrated, and moreover are sometimes caught up, against their will or without their knowledge, by groups who explain to them how to take advantage of or how to abuse the social situation, in order to turn them into a subproletarian reserve which can be used to justify demands with good Marxist revolutionary logic!

Question: Mr Clerfayt, do you also believe that this question of immigration is peculiar to Brussels?

Georges Clerfayt: Yes, and that is why we will tackle it specifically during the electoral campaign. One quarter of the 900,000 immigrants in Belgium live in Brussels. Hence, given the density of the population they represent one quarter of the inhabitants, while foreigners make up only 15 percent of the population in Wallonia and 4 percent in Flanders. Moreover, three-fifths of "our" immigrants in Brussels come from outside the EEC. When you see those figures, you understand why the Belgian state, dominated by Flanders, has not worried much about those questions, which primarily concern Brussels. Brussels, which has always been cast to one side, which has neither autonomous institutions nor financial resources. The absence of real regionalization is the cause of the problem; a real regionalization would contribute to its solution!

Push Back Threshold of Intolerance

Question: But yet the outgoing government has taken some measures, hasn't it?

Clerfayt: The Gol law, which is demagogic, has given the impression that they wanted to do something. But aside from its section on naturalization, it is inadequate and even harmful. The measure concerning the right to register, for example, will not reduce the number of immigrants in Belgium, nor prevent new concentrations: when their coal mines are closed, the Turkish miners from Limburg will come and live in Schaerbeek, and Nols will be unable to do anything about it!

We want to fight against the illegal and abusive situations which still exist; while asking the immigrants to respect the laws of hospitality, we must respect them ourselves and conduct a policy of integration through housing renovation and the promotion of education. Finally, we want to encourage the naturalization of immigrants but do not want the right to vote to be granted to non-Belgians: to become naturalized seems a good proof to us of the desire to become integrated...

Question: Mr Thys, what does the PSC think about that?

Jean-Louis Thys: We are, in fact, drawing our inspiration from a recent editorial by your editor in chief. He talked about a "threshold of intolerance" which should not be exceeded. It exists for the immigrants, and for the Belgians also. And there the public representatives have an enormous responsibility. And it is clear that men like Mr Nols, Mr Simonet...

De Donnea: They are not here...

J.-L. Thys: You are here to hide them...

De Donnea: I am here to defend them...

J.-L. Thys: Nols in particular has adopted a deliberately provocative attitude, which does not settle anything. He has deliberately generated tensions among Belgians on the one hand, among immigrants on the other hand, and among Belgians and immigrants. Which is contrary to what one should do. Like Messrs Clerfayt and Moins, I feel that the 'naturalization' section of the Gol law is a step in the right direction. But the fact remains that the study of this issue by a commission, the other idea in the Gol law, should have been started a year ago, and not a month ago. Today it is functioning, under the chairmanship of Mr Vermeylen, and it is a very good thing! If I voted for the Gol law, it was because of the issue of naturalization and because we were hoping that, beyond the slogans, we would be able to find radical and original solutions through this commission. It is in this spirit that my party is approaching the electoral campaign. We want a strict limitation of integration, because in the current economic situation a new influx would be harmful to everyone; a fight against abuses, which unquestionably do exist; an effort to meet the social problems posed by integration. The right to vote cannot be considered now. Mr Hendrickx and Mr Clerfayt, among others, are right in saying that this question of immigration has been allowed to rot. And I challenge Mr Nols, as he is the one we are talking about, to demonstrate the efforts he has made. But I still believe that we will be able, all political and social forces together, to find an agreement to fight against that threshold of intolerance.

Italians Not from Maghreb

Question: Is the issue different depending on the various kinds of immigrants?

J.-L. Thys: You have to be clear. You don't treat a second generation young Italian like a young person from the Maghreb. A Spanish mother is not a Turkish mother. Protestant or Roman catholic religion is not treated the way the Muslim religion, with possible Shiite influence, must be handled! You have to see that calmly and competently, without slogans. That is not racism! And then there are the financial questions. Mr Clerfayt touched on them. Yes, we need new institutions, but they will not settle the problem. We also, and in addition, need specific donations.

Question: Does the SeP have the same approach, Mr Thys?

Willy Thys: The Gol law proceeded in rather a negative manner; and some politicians have taken the very serious responsibility of presenting matters in terms of antagonism, of racism. Our approach is resolutely positive. We are sensitive to the economic contribution of the immigrants who often still perform tasks which the Belgians refuse to do: their departure would not necessarily mean a drop in unemployment. There is also the demographic contribution which Mr Moins mentioned! In Brussels, one Belgian out of every two is more than 40 years old; among the people from the Maghreb, one out of every two is less than 25 years old.

Those are good reasons to raise this issue in an electoral program. Not to mention the fact that, at the social level, the immigrants are among the poorest, the most impoverished in their community. You have to take that into account.

Question: What do you anticipate concretely?

W. Thys: First of all, the immigrants must be given a voice. Up to now, they have not been consulted. We are in favor of the right to vote for immigrants, in the municipalities, if that is where they live. Let us follow the example of Northern Europe and the recommendations of the EEC... The PSC does not want that right to vote to be granted. The bishops, however, have said twice that they are in favor of it...

But there are also problems on the side of the foreigners. They should not be neglected... Let us concern ourselves with questions of housing and of school reform. And they go far. If housing is deteriorating and promotes immigrant ghettos, it is because real estate promoters have decided that it will be so.

Long Live Illegitimacy, Intermarriage

Question: Mr Cudell, you are the representative of the PS but also a practitioner in the matter. What do you have to say?

Guy Cudell: My party is neither xenophobic, nor racist...

Hendrickx: ... nor socialist!

Cudell: ... and all those in the party, who might make racist or xenophobic statements would be condemned...

Leduc: In Molenbeek, a former acting mayor stated: "I am a racist socialist"...

Cudell: He was repudiated. There is extraordinary arrogance in considering oneself a native. Within about two or three generations, all of us in this country were immigrants... Prosperity attracts the poor and the weak. That explains the successive waves of immigration. Today, because there is a crisis and there are 800,000 immigrants, we turn into censors! It is true that young Belgians who do military service for nearly nothing, may feel wronged when compared with young foreigners who receive 8,000 to 15,000 Belgian francs per month to stay home. It is obvious that facts of that nature encourage racism. We have gotten to the simplistic slogans and they will poison the electoral campaign. I accuse those who up to now have stated those simplistic ideas of having made the ordinary people of Brussels believe that at a given time the immigrants would be kicked out, the way we kicked out the Germans in 1944. A lot of people believed that the Gol law would lead to the departure of the immigrants. But that is not true at all! The majority of them will stay, and we must face that. It is possible that there are too many immigrants, it is certain that immigration must be stopped. But our task is to prepare the city to live with pluralism. Illegitimacy, intermarriage, that is not specifically negative. The bishops recently said it, or rather the archbishop...

J.-L. Thys: Everybody takes his inspiration from the reading I should have...

Cudell: What, in some respects, makes the United States a fascinating innovator, is illegitimacy, intermarriage. Let us prepare a multiracial, multicultural society! How could Brussels be the capital of Europe without foreigners? And you can't accept the rich foreigners and turn back the poor... I myself administer the municipality in Western Europe which has the most immigrants. Dreux, next to Saint-Josse, is nothing at all. Nor is Schaerbeek. And what is my view on things? First of all, you have to fight against the ghettos. That could have been the positive aspect of the Gol law. We need to spread out the immigrants. And one doesn't uproot oneself by going from Saint-Josse to Etterbeek. But at one time, the parties agreed -- and I denounce it -- to say: "Let the municipalities which have immigrants keep them." I am opposed to that! And the Gol law did not keep its promises.

Secondly, you have to put an end to twilight districts and use the credits that are not used in some municipalities. If everybody did as much as Saint-Josse, that would be a start! When the municipality begins renovating, then home owners follow suit, and people return to the districts which had become twilight areas...

Question: There are also the schools.

Cudell: It is bad education which marginalizes and encourages racism, delinquency which creates the 'Euro-pariahs.' More money must be allocated to the schools and to urban renewal. And start by using the existing credits. Some municipalities don't want any of that renewal, because they believe that demolition is the only way to make the immigrants go away!

Finally, there is naturalization. Hundreds of requests in my municipality. Turks, Moroccans. Now that is proof of establishing oneself! Like the purchase of a building, for example.

Question: Mr De Donnea, you were the first one to jump into the water; the party you represent and the Gol law have been unanimously attacked...

De Donnea: It is thoughtless to say that the mayors, who express the feelings of 400,000 inhabitants of Brussels, who rightly or wrongly express various degrees of rejection phenomena toward the immigrants, are agitators. It is thoughtless, and it is offensive for those 400,000 inhabitants of Brussels.

J.-L. Thys: We didn't say that they were agitators but that their policy was provocative, because it did not provide a solution! You are not the one who is mayor!

De Donnea: I have noted that six mayors, including socialists, had limitations passed on the right of registration, and it does them credit. In several parties other than the PRL there was inconsistency between the way they voted in the municipality and in parliament. It is rather easy, after that, to say that the Gol law is all wind! We in the PRL have taken action and we have been followed in the field by clear thinking mayors. I am sorry that I had to personalize the debate...

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POLITICAL

DENMARK

PARTIES REACT TO ELECTION RESULTS, AWAIT STORTING OPENING

Implications for Security Policy Debated

Oslo AFTENPOSTEN in Norwegian 13 Sep 85 p 2

[Editorial: "No Agreement"]

[Text] Armchair politicians are already trying to determine what will happen to Norwegian foreign and security policy after the election. For this reason it is necessary to make it clear that the Willoch government can never accept the prospect that Norway will become a new footnote country in NATO. If the Willoch government is unable to win support for the basic foreign policy line Norway has followed in the past it must resign. Faced with the threat of a ballot defeat the only thing Prime Minister Kare Willoch can do is make this issue a cabinet decision and take the consequences of that decision.

Ragnhild Q. Haarstad of the Center Party insists that she is not in a key position when it comes to security policy. But at the same time she likes to stress that "it is the clear responsibility of the government to pursue a security policy that has broad support in the Norwegian population." We know from experience that it is the foreign and security policy backed by the opposition Labor Party that she believes has the necessary support. That should make the alarm bells start ringing in government offices.

To simplify matters, this is a policy that has been pursued in Denmark, where Conservative Prime Minister Poul Schluter has been forced to oppose NATO's negotiating strategy. The Willoch government cannot shift over to what other NATO countries contemptuously call the Schluter line. Norway must not become NATO's new footnote member. Let us be quite clear on that point.

But at the same time we should point out that foreign and security policy does not have to be a problem in the next 4 years. The agreement from the spring of 1984 provides the basis for a fruitful debate. Assuming that the opposition, including potential nonsocialist defectors, respects that agreement we can calmly look forward to a new debate on our relationship to NATO.

However the problem is that the Labor Party abandoned the basic conditions in that agreement long ago. The first test of strength will probably come

when Storting must again take a stand on appropriations for the alliance's infrastructure program which includes among other things the funds needed to deploy new medium-range missiles.

Norway's reluctance to follow up on the double decision creates doubts about the ability of the alliance to put some muscle behind the demands it presented to Moscow. A new move of this kind would be dismissed by NATO bodies, as it was in the past. But it would have devastating consequences for Norway's credibility as Foreign Minister Sverre Strøm pointed out before the election. Strøm's warning is still valid now that the election is over.

An isolated Norwegian move to declare a Nordic nuclear-free zone, a proposal that Ms Haarstad has indicated her willingness to vote for, would have the same consequences. A zone initiative in line with what Labor Party deputy leader Einar Forde talked about would represent a new break with last year's agreement. If it wins majority support the immediate consequence would be a government crisis. The opposition may have nothing against that. But nonsocialists should weigh things carefully--with regard to both the government situation in this country and our national credibility abroad.

Election Expert on Center's Dilemma

Oslo AFTENPOSTEN in Norwegian 13 Sep 85 p 2

[Article by Helge Seip]

[Text] Now that the drama of election night is a little behind us and we can determine that the technical election alliances changed the outcome for Storting seats in nine districts, enabling the government to stay in office, there is some reason to take a realistic look at the main figures in this year's contest. What happened, measured in terms of the distribution between "socialists" and "nonsocialists," actually represents a return to the conditions we had in the 1973 and 1977 elections.

The only difference is that an unfair election arrangement at that time greatly benefitted the Labor Party and SV [Socialist Left Party]. Now the situation is practically reversed.

Shifts

But there have been shifts between the middle-spectrum parties and right-wing parties that should be pointed out. This is particularly important because this time the Labor Party made its biggest gains in new areas in the old West Norwegian districts once dominated by the middle parties.

If we take the total votes in percentages in the last five Storting elections we come up with the figures in the tables below:

Table 1. Support for Socialist Parties in Percentages

<u>Year</u>	<u>Labor</u>	<u>Socialist- Left</u>	<u>Communists*</u>	<u>Total</u>	<u>Seats</u>
1969	46.5	3.5	1.0	51.0	74 out of 150
1973	35.3	11.2	0.4	46.9	78 out of 155
1977	42.3	4.2	1.0	47.5	78 out of 155
1981	37.2	4.9	1.0	43.1	70 out of 157
1985	40.8	5.4	0.8	47.0	77 out of 157

*Red Election Alliance, Norwegian CP

Table 2. Support for Nonsocialist Parties in Percentages

<u>Year</u>	<u>Middle Parties**</u>	<u>Conservatives</u>	<u>Progressives</u>
1969	29.3	19.6	--
1973	30.2	17.4	5.0
1977	25.6	24.8	1.9
1981	20.7	31.7	4.5
1985	18.3	30.4	3.7

**Christian People's Party, Center Party, Liberals, Liberal People's Party

Thus election figures show that the big shifts that occurred in Norwegian political life in the Storting elections we have had since the EC popular referendum in 1972 have resulted in steadily declining voter support for the middle-spectrum parties. The two big parties on the left and right have shown varying degrees of ability to absorb these shifts. And so far there is no doubt that the Conservative Party has been the big winner in that race. But from that point of view the geographical aspects of Monday's election are of great interest in the picture of our political future.

New Shift

This time the Labor Party had some of its biggest victories in southern and western regions where people have traditionally voted for middle parties but where many switched to the Conservatives in the 1981 landslide election. The new shift among voters in outlying districts who traditionally voted for middle-spectrum parties represents a challenge to the parties they voted for originally as well as to the Conservatives who held their votes briefly and the Labor Party which included their votes in its election statistics this year.

As far as the individual middle parties were concerned this year's election went better for the Center Party than it could have. The status quo of 6.6

percent is low but 12 seats in Storting give the party some clout. For the Christian People's Party the trend of 12.4, 9.4, 8.1 percent is disturbing despite a new seat in Storting. The concern increases when one looks at the geographic distribution of the votes. As far as the Liberals are concerned the break with the middle-party strategy was the catastrophe that many feared it would be. The Center Party's ability to maintain its share of the electorate may be due to this as much as to its emphasis on paying care providers in the election campaign. DLF [Liberal People's Party] discovered that the best arguments do not count for much when one is fighting statistical percentage fractions.

Conservatives Doing Well

We are headed for a very interesting political development and a lot could be decided about our future party and government patterns during the period leading up to 1989. Let us not forget that with a support level of 30.4 percent the Conservative Party had its second best election result in more than 60 years while the 40.8 percent the Labor Party received is the party's third lowest result in 11 postwar elections. For the parties to the left of the Labor Party this year's results confirm that there is still a normal group of voters to the left of the Social Democrats ranging somewhere between 5 and 7 percent of the voters although a couple of extraordinary election situations brought this share up to 11 percent (1945 and 1973).

Decisive

Unless the middle parties manage to halt the trend toward a two-party constellation before the decline has gone further it could be very difficult to make a comeback later. For the Liberals, who have had voting percentages of 3.5, 3.2, 3.9 and 3.1 since 1973, the next 4 years will be decisive. Unless the party finds its place within the political center where it has had its roots in the past there will be little chance for new growth and re-instatement in the parliament that closed its doors on the party on 9 September. The party contributed greatly to the drama of the election figures with its new statement concerning government preferences but as the tables above show the shifts that took place in the Norwegian electorate as a whole were not correspondingly dramatic.

Conservatives Weigh Storting Changes

Oslo AFTENPOSTEN in Norwegian 14 Sep 85 p 3

[Article by Morten Malmo]

[Text] Over the next 4 or 5 months there will be some big replacements and rearrangements in the Willoch government and the changes could occur in several stages. The first change could come relatively quickly if the Conservatives choose Finance Minister Rolf Presthus or Industrial Affairs Minister

Jan P. Syse as their parliamentary leader to succeed Jo Benkow, who will be the new Storting president. This part of the shift will be known but not necessarily completed before the new Storting holds its opening meeting in early October. But Prime Minister Kare Willoch has been advised in more than one quarter to carry out cabinet changes as quickly as possible.

In itself the Storting election provided no basis for changing the distribution of ministries among the three government parties or in the balance of strength among the parties making up the government. The reason why changes will be made anyway is that several sources want to revitalize the government and some cabinet members want to change jobs. Nine Conservative cabinet ministers in addition to Willoch have been in office since 1981 while the other cabinet members have occupied their posts since 1983.

Presthus

Three names were included in the discussion of who would be the Conservative candidate for the post of Storting president, namely the president of the lower chamber, Thor Knudsen, Storting representative Georg Apenes and the Conservative parliamentary leader, Jo Benkow. But there was never any doubt that Jo Benkow, who wanted to become the new president of Storting, would get the post. Therefore the Conservatives must find a new parliamentary leader.

Five names are under consideration for this position, namely Finance Minister Rolf Presthus, Industrial Affairs Minister Jan P. Syse, Storting group vice chairman Petter Thomassen, undersecretary Arne Skauge and Storting representative Per-Kristian Foss. Presthus has the strongest chance of getting the position, followed by Syse. If one of the two cabinet ministers is chosen it would also lead to changes in the government. If Presthus takes over as parliamentary leader, Jan P. Syse is probably the leading candidate in the debate over who would replace him as finance minister. Several of the group members would like to have Storting representative Per-Kristian Foss, the Conservative Party's most prominent industrial politician in Storting in the period 1981-85, get the post as new industrial affairs minister. But he has no practical experience in that field. The post could just as easily go to undersecretary Arnulf Ingebrigtsen, who now works in the Ministry of Finance but served as undersecretary in the Industrial Affairs Ministry in the years 1981-83.

More Changes Possible

There could also be bigger changes. An internal discussion is under way in the Conservative Party as to whether various cabinet members should be replaced. So far the debate has concentrated on Social Affairs Minister Leif Arne Heloe, Justice Minister Mona Rokke, Defense Minister Anders C. Sjaastad and Fisheries Minister Thor Listau.

It has been said among other things that the Conservatives need a stronger politician in charge of the Social Affairs Ministry and two names are often

mentioned as possible replacements for Heloe. One is Arne Rettedal, who is regarded as strong in his post as municipal affairs minister. Astrid Gjertsen, who has done an excellent job as consumer affairs minister, is also mentioned in this context. Naming a woman as social affairs minister, especially one who can give orders in a friendly and charming fashion, would undoubtedly be a good move for the Conservative Party, it has been said. Depending on how many changes Willoch is planning, these people are also possible candidates for cabinet positions: Per-Kristian Foss (if he does not become industrial affairs minister), Petter Thomassen, Arne Skauge, Else Bugge Fougner, Wenche Frogn Sellaeg, Oddmund Hammerstad and Anders Talleraas.

Stray's Position

There is nothing to suggest that Foreign Minister Sverre Stray will be replaced by another member of his party at this time. The dominant attitude is that as long as the Conservatives are in charge of the Foreign Ministry Sverre Stray will serve as foreign minister. However the Christian People's Party really wants Stray's seat and if changes are made in ministry distributions Kjell Magne Bondevik is being mentioned as new foreign minister. But the Center Party has not requested any changes in the government. The Christian People's Party stands alone on Bondevik's possible candidacy.

Of the party's four cabinet members, Trade Minister Asbjorn Haugstvedt has the weakest position within the Christian People's Party. The cabinet member for development assistance, Reidun Brusletten, is a bright star in his party although the external impression he gives can vary at times. The Center Party is satisfied with its three cabinet members. The minor criticism that was heard about Environmental Affairs Minister Rakel Surlien has died down. Agricultural Minister Finn T. Isaksen also has a strong position, especially because he has a lot of influence on other matters that have nothing to do with agriculture. But Isaksen might step down. If there is a big cabinet shakeup it is possible that Communications Minister Johan J. Jakobsen might take over another ministry. If Willoch opens the door to an entirely new distribution of ministries a great deal could happen, but such a major change is unlikely right away.

New Chairman?

A complicating element for the Conservative Party when it rearranges the cabinet is that the party must elect a new chairman next year to succeed Erling Norvik. So far four candidates have been mentioned in the discussion, namely Jan P. Syse, the present vice chairman, Arne Skauge and Kaci Kullmann Five, and Per-Kristian Foss. AFTENPOSTEN has learned that neither Five nor Foss can now be regarded as candidates for the Conservative chairmanship. Kaci Kullmann Five would like to continue as vice chairman while Per-Kristian Foss intends to resign his position on the Conservative Party's working committee. This leaves Skauge and Syse to "fight it out" over who will become Conservative Party chairman after next year. Since the Conservative organization wants a chairman who can use his energies on the party the post would be difficult to combine with a cabinet post or a Storting job calling for a lot of hard work.

Progressives' Chairman Pledges Toughness

Oslo AFTENPOSTEN in Norwegian 14 Sep 85 p 3

[Article by Bjorn Talen]

[Text] The Progressive Party must pursue a tougher line and quit acting like an appendage to the Conservative Party. That is the kind of thinking that has been going on in the Progressive Party after the election defeat. People in the party feel a stronger need to etch a sharp political profile and they obviously fear ending up in the same situation as the Liberals.

The election's paradoxical bottom line for the Progressives is that they have fewer voters and less Storting representation but--at least in their own eyes--they have greater political influence due to the party's key swing vote position. Of course Carl I. Hagen himself limited that influence in advance by issuing a kind of life insurance policy for the government. But that does not totally eliminate the probability that the government could be in a minority situation on occasion when the two Progressive representatives want to take part in the Labor Party's popular overspending proposals.

Central people in the Progressive Party who spoke with AFTENPOSTEN left no doubt that the party will make use of opportunities like that to outline the party's profile. Especially because many people regard the Progressive Party as opposed to social issues, they would like to demonstrate in practice that they are serious about substantially increasing minimum pension payments and about other major social measures. They are even considering the possibility of promoting on their own many of the expensive promises the Labor Party made so lavishly during the campaign. That way the party will stand out in the political landscape and create a profile for itself as a party that can get things done in spite of its modest numerical support.

Disappointed in Conservatives

Interest in playing on the government's team is moderate in FRP [Progressive Party] at the moment--to put it mildly.

"When Johan J. Jakobsen and Kjell Magne Bondevik now say that they regard us as an opposition party, they must also take the consequences of that," party people have said.

Over a period of time strong irritation with the Conservative Party has also built up. First the Conservatives refused to enter into technical election cooperation with the Progressives. Then they campaigned on the theme that voting for the Progressive Party was like throwing one's vote away--even in counties where there was no factual basis for this claim. This was especially true in Akershus where a few hundred votes for Fridtjof Frank Gundersen could have saved the government's neck if things had gone wrong in the key counties of Rogaland and South Trondelag.

But they were most disappointed at the Conservative reaction to Hagen's declaration of support. "Our intentions were friendly but they took the declaration and used it against us. We were not expecting that," Progressives told AFTENPOSTEN.

Not an Appendage

Thus FRP will pursue a tougher line in Storting in an effort to wipe out the impression that the party is a Conservative appendage. The signals from the grassroots level of the party are quite clear in that respect. The Progressive Party must not become simply a darker blue version of the Conservative Party. The party's protest profile must be sharpened so that it can again attract voters from the Labor Party as it did in the last two elections. This would benefit the entire nonsocialist bloc, it is claimed.

Another motive behind these desires to outline the party's profile is to prevent voters from switching to the Conservatives. "Our somewhat too unconditional statement of support was regarded by many FRP sympathizers as a signal that they might just as well vote for the Conservatives," party people said.

Today the Progressive Party's central committee will discuss the situation following the election. It is expected that there will be a good deal of self-criticism but no one thinks the committee will be calling for the head of the party chairman. Few people had any criticism to express concerning the way he conducted the campaign. And Hagen himself has probably cooled down a little during the past week.

It is a general feeling at least in political circles that Hagen was unable to keep his head after the election defeat. The attempt to obtain the central post of Finance Committee chairman for himself through a deal with the Labor Party was put down to panic. Such lack of restraint makes Hagen harmless. But it is hard to believe that a man as intelligent as Carl I. Hagen will not reconsider things and behave more wisely very soon.

The Progressive Party's ambitious dreams were not crushed by Monday's defeat. But the new situation calls for a difficult balancing act between profiling the party and moderation. If Hagen & Co. interfere too much with the work done in Storting it could provoke a quiet alliance between the government and the opposition that would deprive the Progressive Party of any influence at all.

Tightrope Act

The Progressive Party will not be able to realize the potential benefits unless it manages to combine a kind of responsible supporting role with visible results. The party thinks it will be possible to join forces with the Labor Party on some issues such as social policy, for instance. The prime minister would not dare to make this a cabinet issue, especially after health and social policy were cited as reasons for the government parties' poor election results, the reasoning goes.

But it is possible that the Progressives underestimate Kare Willoch as a tactical opponent in this area. The prime minister is unlikely to routinely allow a Storting majority's excessive appropriations proposals to break the limits that can be tolerated by the national economy. There are also limits to how far Gro Harlem Brundtland can go in the direction of voting alliances with the Progressive Party without compromising herself. All the factions in the three-way interaction will have to try their hand at tightrope walking in the years ahead. The voters have removed the safety net.

Hagen Tells Storting Strategy

Oslo AFTENPOSTEN in Norwegian 16 Sep 85 p 3

[Article by Eivind G. Karlsen]

[Text] The Progressive Party suffered a stinging defeat in the Storting election. It is lying on the ropes, its Storting group has been cut in half but it will use its swing vote position to gain support for its proposals in Storting--by voting either with the Labor Party and SV or with the government parties. FRP will stand behind its so-called government guarantee to the extent that the party will not help Labor leader Gro Harlem Brundtland to regain government leadership. But if there is a government crisis anyway, FRP is hoping for a straight Conservative government.

Progressive Party leader Carl I. Hagen and other central committee members made this announcement following a meeting in Oslo on Saturday. Hagen, who was re-elected to Storting along with Hordaland representative Bjorn Erling Ytterhorn, had apparently been subjected to harsh criticism during the course of the meeting.

Many Mistakes

At the press conference political vice chairman Anne Beth Moslet said that Hagen was not exactly "bawled out" but she added: "It was a mistake to set a goal of 15 representatives, we made too many trips around the country instead of trying to safeguard the four seats we had. It was also wrong to guarantee that the Progressive Party would not bring down the government. But we must all assume part of the responsibility," she insisted.

Hagen himself admitted that he had made a number of strategic mistakes along with other errors. But the FRP leader stressed that they would shake off the slap in the face--and make a comeback.

Key Position

The party's strategy was the subject of a good deal of discussion according to Hagen, who had this to say about how things would go: "We will make the maximum use of our swing vote position in order to promote our proposals. If

they are supported--or similar proposals are advanced--by the Labor Party and SV, that will be fine. If they are supported by the government coalition parties, so much the better."

Neither the three nonsocialist parties (78 seats) nor the socialists (77 seats) have a majority in the new Storting.

During the budget negotiations Hagen expects to win a majority in support of some additions with the help of or together with the socialist parties while budget cut proposals will probably be defeated. "Our position will not be announced in advance," Hagen said.

"But balancing the budget is not our responsibility," the FRP leader emphasized several times. It was no problem either, Hagen said. In response to a direct question he also stated that "Willoch is hysterical when it comes to balancing the budget."

Labor Government Not the Goal

Hagen said that the Progressive Party would stand behind the statement guaranteeing support for the nonsocialist government:

"We will not actively assist Labor Party leader Gro Harlem Brundtland to become prime minister. But we did not make any guarantees about the three-party government and we would still prefer a straight Conservative government."

Carl I. Hagen also said with obvious bitterness over the government parties' statements both before and after the election: "We have noted the fact that we do not belong to the nonsocialist bloc that we wanted to join forces with. Now we stand as an independent alternative--a third way," he added. But the implication was that he would be willing to talk with the government party factions on the Storting Finance Committee--and also with their group leaders, but not one on one.

Test of Strength

Hagen revealed that the two FRP representatives would like to serve on the Finance Committee and the Foreign Policy Committee (or the Defense Committee) in the new Storting. He personally thought the Willoch government could feel secure on the space weapons issue--and predicted that the first test of strength in the fall would involve raising pension benefits, an issue on which the Progressives intend to join forces with the Labor Party, among others. Hagen said it was very unlikely that the prime minister would make a cabinet issue out of that.

Two Out

With regard to party organization the chairman said that radical changes will be postponed until the national committee of the party holds a meeting

in early October. The party expects to be able to pay off its 1.5 million kroner campaign debt as planned, but it will be necessary to economize.

This involves firing two people. They are Storting group secretary Harald Ruud, who will be replaced by former Storting representative Jens Marcussen, and another journalist on the staff of the party newspaper, FREMSKRIDT. Editor Jan Simonsen will continue to work part-time--he is also the party's information secretary.

Willoch Promises Welfare Attention

Oslo AFTENPOSTEN in Norwegian 16 Sep 85 p 3

[Text] "The lines of people waiting for health care will be substantially reduced in the next Storting period." That promise was made by Prime Minister Kare Willoch on Saturday's "Daily Review" program when he was asked to comment on that day's editorial in AFTENPOSTEN which contained some harsh criticism of the government's handling of the problems in the health and social sector. Willoch admitted that there are big unsolved problems in this area and promised much bigger investments in the future.

But the prime minister would not concede that it was particularly troubling that this criticism came from AFTENPOSTEN. "It is natural that the paper is concerned about this, just as we are," he said, among other things.

AFTENPOSTEN maintained on Saturday's editorial page that the Conservative Party leader evidently had a hard time accepting the fact that health and social policy had a negative impact on the election. Although appropriations are higher than ever and health care lines are at least no longer than they were before, the paper criticized the level of ambition:

"We will simply not accept a situation where the sick and the elderly do not receive the treatment and care they need in a welfare state. In contrast to the Conservative leadership we think that efforts in this area have been deficient and a decisive push must now be made to get out of this crisis," the editorial said.

"We do not accept this either. Therefore we are recommending an increased effort. We realize that big unsolved problems remain and that 4 years was too short a time to solve them," commented Prime Minister Willoch.

"Can the prime minister accept the statement that it was health and social policy that almost defeated the government?" asked Olav Gran-Olsson, who interviewed Kare Willoch.

"Health and social policy was one of the issues where the opposition waged a very effective campaign and had some success. We must admit that we were unable to clearly present the facts. While there were setbacks in a number

of areas when the Labor Party was in power, these have now been transformed into successes. But we have not done enough. And we did not do a good enough job of presenting the goals we have in this area," replied the prime minister, who said that no one could have expected all the problems to be solved in the space of 4 years.

Willoch also promised bigger efforts and more effective ones in the future but in response to the interviewer's question he said he could not guarantee that health care lines would be eliminated 4 years from now.

"The lines will be much shorter. Treatment will be better, not just in hospitals but in the rest of the health care system as well," the prime minister said.

The post-election meeting between the Conservative Party's central committee and its Storting group formed the basis for the AFTENPOSTEN editorial on Saturday.

6578

CSO: 3639/170

POLITICAL

DENMARK

SCHLUTER COALITION RETAINING POPULARITY WITH VOTERS

Highest Support Since Sixties

Copenhagen BERLINGSKE TIDENDE in Danish 9 Sep 85 p 6

[Article by Gallup Institute director Asger Schultz]

[Text] The popularity of the coalition government is rising. It declined during the tax reform discussions--but now the government's approval rating is once more higher than that of any previous government.

In September 1983 Gallup took the "temperature" of the nonsocialist government and found that the four-party government coalition was the most popular government since the end of World War II.

After that its popularity declined somewhat and this year's tax reform discussions caused the temperature to drop even further.

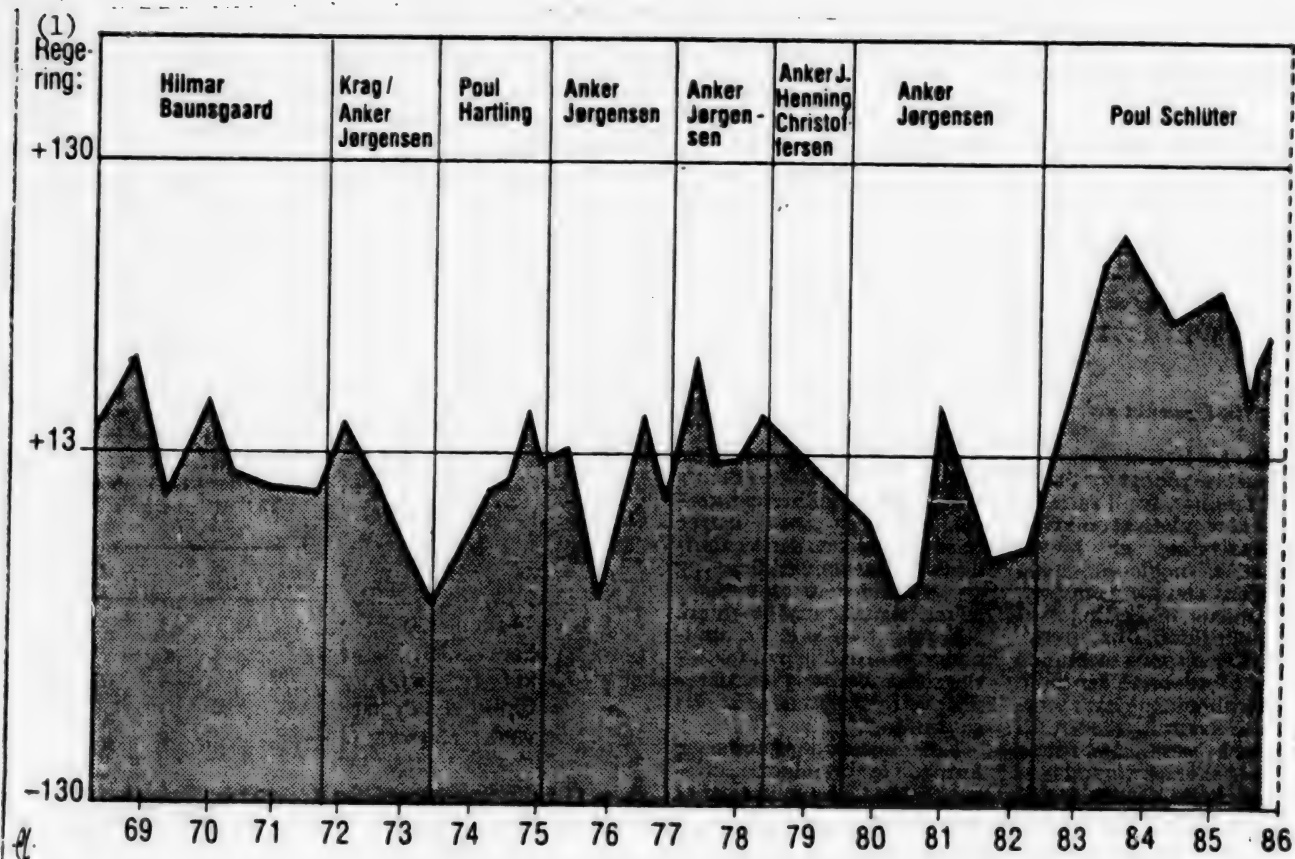
Every 6 months--except when special events call for a separate survey--the Gallup Institute makes an ongoing survey of the electorate's assessment of the government currently in power.

In these surveys a representative selection of the voters that includes approximately 1000 respondents is asked the following question:

"Do you think the current government is doing a good job, a fairly good job or a bad job in the time that it has been in existence?"

As a rule the first survey is carried out around 3 months after the new government is formed and thus the first survey concerning the four-leaf-clover government was carried out at the beginning of December 1982.

The last regular survey was carried out at the end of August so that two surveys were carried out while people were still under the influence of the discussions on tax reform.



Government Popularity Rating

It is immediately apparent from the graph that the four-party coalition government's popularity rating fell to its lowest level to date during the discussions on tax reform. After the compromise its approval rating rose again and this rise continued in the last regular survey with the result that the government's popularity is now higher than that of any previous government going all the way back to Baunsgaard, but it is lower than its own peak level in 1983.

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Key:

1. Government leader

This is how the government was rated (answers shown in percentages):

<u>Date of Survey</u>	<u>Good</u>	<u>Fairly Good</u>	<u>Bad</u>	<u>Don't Know</u>	<u>Total</u>
December 1982	28	36	23	13	100
March 1983	38	39	15	8	100
September 1983	43	39	12	6	100
March 1984	34	40	21	5	100
September 1984	34	42	18	6	100
March 1985	30	42	21	7	100
August 1985	30	42	20	8	100

As we can see the government's reputation seems to have stabilized at a level where around three-quarters of the voters feel the government has done a "good" or a "fairly good" job and a fifth of the voters do not think it has done a good job.

To facilitate comparisons with surveys of past governments the graph on the preceding page shows all the surveys back to the V-K-R [Liberal-Conservative-Radical Liberal] government of 1968 and the graph also shows the two extra surveys from early this summer when the tax reform discussions were under way.

Each answer is assigned a figure (score) with "good" receiving a value of 2, "fairly good" a value of 1 and "bad" a value of -2.

The latest survey thus gives a score of 62 while the survey in September 1983 gave a score of 101 and the first survey in December 1982 gave a score of 46.

The average level for all surveys was + 13 and that average is indicated on the government popularity graph by a horizontal line.

Conservative, Socialist Politicians Comment

Copenhagen BERLINGSKE TIDENDE in Danish 9 Sep 85 p 1

[Article by Thorkild Dahl]

[Text] A Gallup poll released today shows that the four-party coalition government which celebrates its third anniversary tomorrow is more popular than any Social Democratic government in office while Anker Jorgensen has been chairman of the party.

The popularity of the four-party government is on the rise again after last spring's contract intervention and the discussions on tax reform.

8 October 1985

This was shown by a Gallup poll appearing in BERLINGSKE TIDENDE today and with a higher approval rating than any government since the 1960's there is little prospect that the Social Democratic desire, expressed at the party's annual congress over the weekend, to launch a new government program "for all the people" will be implemented as early as next year.

Justice Minister Erik Ninn-Hansen, Conservative Party strategist, feels the government's popularity stands and falls on the impression the voters have of political tranquility and stability.

"The drop in the spring was connected with some doubts among the people concerning the government's ability to find any solution to the contract problem. Now things have calmed down and in combination with the tax reform agreement the voters have a picture of a government that is pursuing a consistent policy," Erik Ninn-Hansen told BERLINGSKE TIDENDE, adding: "Many people have now recognized the necessity of the contract intervention and with the Social Democrats supporting such an extensive compromise as the tax reform agreement it is clear that the kind of violent confrontation that the union movement paved the way for with its 180 million kroner campaign will not take place."

Social Democratic political spokesman Svend Auken said that the government's rising popularity must be ascribed to its willingness to cooperate on a single issue, namely the tax agreement.

"On the tax issue the government was open and willing to arrive at a sensible agreement," said Svend Auken. But he feels an election campaign is an entirely different situation and says that with the new Social Democratic government program the voters will "have a real choice and can see what the Social Democrats want to accomplish in the way of future policy."

But Challenges Remain Ahead

Copenhagen BERLINGSKE TIDENDE in Danish 9 Sep 85 p 8

[Commentary by 'Monitor']

[Text] A minority government consisting of four parties rests on an unstable balance that has now been maintained for 3 years. The government has scored successes in the economic area but is threatened by a lack of results in other areas.

A third anniversary is not usually the cause of much celebration. But the third anniversary of the four-party government tomorrow is an exception. Three years in office is a big event for a nonsocialist government in Denmark. There have been only two examples since World War I. Neither government survived its fourth year.

Few people predicted when the government was formed that it would last for 3 years. A minority government consisting of four parties is a balancing act that is more at home at a jugglers' convention than in the political arena. Therefore there is good reason to take stock and wonder how long they can continue to maintain the unstable balance that a minority government made up of four parties necessarily represents. Has the government done anything at all except survive for the last 3 years? It undoubtedly has in the economic area. Part of the economic upturn is due to luck, foreign events and other factors that the government cannot take credit for. But the government has made its own contribution in the form of two solid successes in its economic policy. One is the policy governing the exchange rate of the krone and the other is income policy. The government declared when it took office that from then on the exchange rate of the krone would remain constant. The nation's economic problems would not be tackled with the help of constant devaluations. This was definitely a controversial decision. A good many economic experts were saying then and had been doing so for some time that devaluation is a good and effective way to solve the nation's economic problems. There has always been something unrealistic about this advice. The conditions needed to provide lasting positive effects based on a devaluation are never present in practice. The positive effects are as transitory as the heat that is said to be generated when one wets one's pants and the side effects are equally unpleasant. The Swedish Social Democratic government is the latest to discover the truth of this.

The beneficial effects of the fixed krone rate have been dramatic. The decline in interest and inflation rates is based on the krone exchange rate policy. Unstable exchange rates are anathema as far as international trade is concerned. Fluctuations in currency rates introduce an element of uncertainty in international transactions that has the same effect in practice as technical trade barriers. The exchange rate policy was followed up by liberalization of international capital flow. For a small country with a large amount of foreign trade and a big need to finance its balance of payments deficit it should be fairly obvious that a free flow of international goods and capital is a good thing. This is a basic prerequisite for the ability of service institutions such as banks to earn increased amounts of money abroad. In spite of this, liberalization has been criticized on the grounds that it reduces flexibility of action in the area of economic policy. That is only partly true. It is correct that greater dependence on foreign trade places narrow limits on economic policy. One can try to disguise this with artificial measures but ultimately one is forced to conform to international economic realities. It was a persistent denial of these realities that brought our country close to the economic abyss.

The government's other solid success has been income policy. The government has succeeded in substantially checking wage increases. Its main contribution has been elimination of automatic cost-of-living adjustments and, to a lesser extent, this spring's intervention in the contract negotiations. The results have been impressive. Income policy has helped to moderate inflation and interest rates. At the same time it has led to increased investment and more jobs. In short the tight income policy had the beneficial effects its supporters have long claimed it would have. As they had also

predicted income policy did not have a particularly negative impact on real wage developments. The decline in nominal wage increases has been offset by less drastic price increases.

But that is the end of the list of the government's undeniable successes. The public spending policy is only a half success or a half failure, if one is pessimistic by nature. The growth rate of public spending has been checked. But it has not been convincingly brought to a halt. The unfortunate thing is that the government has used "easy" expedients to achieve this result. So far it has refrained from cracking the hardest nuts. The government's plans to reform the public sector from within have not amounted to much either. The good ideas about increased efficiency, self-regulating mechanisms, self-management, greater consumption autonomy, etc. have not been put into practice. The ideas live on in principle in the so-called "modernization program" for the public sector. But this program consists mostly of proclamations, conferences and fancy guidelines while it is short on concrete initiatives that would implement the good ideas. Too many government officials and ministers are avoiding the conflicts that are inevitable in connection with implementing substantial reforms.

There is not really much to say about the government's other actions. Not many of them will go down in history. Tax reform will probably be remembered because it was finally possible to create a broad compromise on taxes. The agreement will not be remembered for its content, at least not in a positive way. The government's shortage of results outside the economic area, which is largely due to a lack of initiative on the government's part, is a problem that could quickly threaten the government's very existence.

The delicate balancing act that is expressed by a government made up of four parties, especially when it is a minority government, can be threatened by even minor disturbances. These disturbances can be caused by the two small government parties straining at the leash as we observed them doing this summer. They can also come from other directions. The Conservative Party's national conference showed that even that party, which has been the most disciplined government party, harbors latent revolt. The government's continued existence depends on an almost superhuman discipline and restraint on the part of the political parties involved.

In the final analysis the permanent impression of instability in Danish politics is based on the breakup of the party system. A parliamentary majority of four or five parties will by its very nature be more fragile than a majority based on one or two parties. Not many people would dispute that, but most react by shrugging their shoulders and saying that we have the party system the voters want. But that is ridiculous. Voters cast their vote for a party, not a party system. Voters are unable to coordinate their selections, of course, so that they vote not only for a party that represents their views to a certain extent but also to insure a Folketing that is able to function. They need the help of a sensible election law. Countries that have a low cutoff point like Denmark all have divided party system with all the problems this involves. Countries like Norway and Sweden that have more sensible party strength requirements for representation

in parliament have more reasonable party systems. Unfortunately the cutoff barrier is a taboo issue in Danish politics. This taboo will not be broken by a government containing two parties that regularly come in contact with the cutoff point. But in the long run raising the cutoff limit is a vital prerequisite for more stable conditions in Danish politics.

6578

CSO: 3613/199

POLITICAL

FINLAND

COMMUNISTS LOSE SUPPORT AMONG UNION MEMBERS

Helsinki HELSINGIN SANOMAT in Finnish 7 Sep 85 p 8

[Text] Kuopio (HS)--Support for the Communist Party among the SAK trade unions has dropped precipitously. According to research findings made public in Kuopio on Friday it has fallen to about 15 percent.

During a press conference organized in conjunction with laying the cornerstone for the Union Center, SAK's secretary, Lauri Ihalainen, flashed advance information about a second part of a study of organizations to be presented in its entirety at the end of this month.

In the study more than 11,000 members of the SAK had been asked what stand they took toward the position and importance of the trade unions, the political parties, and which political parties they supported.

Ihalainen said the study proves, without doubt, that the union membership is also losing its trust in the political parties and in their potential to take care of even unemployment. Instead, the valuation of the communication media, for example, has risen.

According to Ihalainen the study of organizations also indicated a dizzying drop in the support for Communists among the SAK members. Only 15 percent of the organization members said they would vote for SKDL in the next general elections.

We have no information on how large a portion of SAK members voted for the People's Democrats in the previous elections. Some kind of comparison is offered by the information that in the SAK's last federation meeting, the Communists still received 37 percent of the votes. Labor union elections and the general elections, however, cannot be compared directly to one another.

Muddled Communication

Considerable confusion and controversy was created Friday by the apparently sensitive advance information leaked to the public. SAK's communists were angry at Ihalainen, who leaked the information, and announced that the study results had been misinterpreted.

Later in the evening, Ihalainen also announced that the information about the 15 percent support for the Communists was incorrect, and that a figure had not even been mentioned. He did not, however, agree to say what the correct figure was. Other sources volunteered 20 percent.

According to the study, the total support for the leftist parties is about 65 percent of the membership.

The non-socialist parties reached a 5-percent support level within the SAK movement, according to the study, whereas the portion of the independents had risen to 25 percent.

According to Ihalainen the study of the organizations shows that the members of the unions still trust the union movement as their "last safeguard" in preserving their working conditions and salaries. The younger members emphasize the protection of their salary advantages; for the older the cause and the solidarity mean more.

Viinanen Demands Agreement Over Rules

According to Pertti Viinanen, Chairman of SAK, time will not, in any case, resolve the labor organization's controversy about the grounds for continuation in termination cases. Viinanen said that without agreement over rules it is futile to speak of contracts for more than a year at the next round.

On Friday the whole leadership of the million-member SAK took part in Kuopio in the laying of the cornerstone for the East Finland Union Center. The Labor Federation is renovating the so-called Eloranta real estate right in the center of Kuopio for its regional center. The cost of renovating the valuable front of the building so as to preserve it reaches nearly 35 million marks.

Viinanen remarked that the controversies associated with the work of the rules committee, led by the state mediator Teuvo Kallio, are "such a grinding stone" that they will not, of their own accord, be stricken from the agenda. According to Viinanen next winter's labor negotiations are not dependent on any one thing, but the controversy over the termination matter will affect them adversely.

According to Viinanen, the unions understand very well the reasonable grounds for terminating an employee, but according to SAK the arbitrariness of the employers has to be eliminated. The long-standing controversy over the grounds for termination also shows, according to him, that the employees and the employers find it difficult to negotiate even about the framework during the contract period.

In addition to improving safeguards over firing, SAK will also stress the questions about the shortening of the work period during its meetings in the near future according to Viinanen, as well as the protection of the employees' position as the new technology spreads into different areas.

12989

CSO: 3617/166

POLITICAL

FINLAND

FOREIGN MINISTER DENIES CHARGES OF CHANGE IN FOREIGN POLICIES

Helsinki HELSINGIN SANOMAT in Finnish 20 Aug 85 p 6

[Text] On Monday Foreign Minister Paavo Vayrynen (Center Party) took a hand in the foreign policy debate recently entered into, in which signs of change in Finland's foreign policy line are being sought.

Vayrynen emphasized that there have been no changes in foreign policy and that no changes are taking place in any direction. The Paasikivi-Kekkonen line continues to be firmly established, Vayrynen said at the heads of Finnish delegations to foreign countries conference in Helsinki.

According to Vayrynen, Finland's position on international policy has remained firm this year. Vayrynen said that relations with the Soviet Union are developing on the basis of the Friendship, Cooperation and Mutual Assistance Pact and also that the maintenance of mutual contacts with the Nordic countries has continued in a close and productive way.

According to the foreign minister, the neutrality policy has been very successful: Finland has good relations with the superpowers and also with all other countries.

Demands for South Africa

Vayrynen demanded that South Africa immediately terminate the special state of civil law, release the imprisoned leaders of the anti-apartheid movement and institute peaceful change in the direction of racial equality and democracy.

According to the foreign minister, the South African Government's actions are marked by "increasing violence inside the country, repeated attacks on the neighboring countries and obstruction of the Namibian independence process."

According to Vayrynen, President Pieter Botha's recent speech does not open the way to peaceful change; rather it may even escalate the situation.

Zone Project Favorably Viewed

According to Vayrynen, the Northern Europe configuration has remained basically unchanged, even though military interest in the Northern Europe area has increased.

According to him, the evolution of public opinion that has taken place in Northern Europe indicates that preservation of the area's nuclear-free status is regarded as being particularly important by all factions and that there is growing support for the creation of a Nordic nuclear-free zone. Vayrynen said that Finland's active efforts for the realization of the zone will continue.

According to Vayrynen, Finland views as favorable actions that advance realization of a complete ban on nuclear testing. "According to this way of thinking, the Soviet Union's recent announcement that it would unilaterally suspend all nuclear explosions until the end of the year and beyond that if the United States voluntarily refrains from conducting nuclear explosions is of importance," Vayrynen said.

11,466

CSO: 3617/159

POLITICAL

FINLAND

CPSU INVITATION FOR VISIT TO SKDL EXACERBATES CP SPLIT

Helsinki HELSINGIN SANOMAT in Finnish 20 Aug 85 p 6

[Text] Hameenlinna (HS)—A delegation from the SKDL [Finnish People's Democratic League] parliamentary group has once again received an invitation to visit in the Soviet Union hosted by the CPSU.

The last time a delegation from the parliamentary group visited the Soviet Union was in February. At that time a lengthy dispute over the composition of the delegation was engaged in, one which culminated in a tug of war over Stalinist Esko-Juhani Tennila's accompanying the delegation.

The scheduling of the parliamentary group delegation's trip is still open, but one possibility is the end of August or beginning of September before parliamentary pressures start. Group leader Veikko Saarto (Communist), Lauha Mannisto representing the socialists, Timo Laaksonen (Communist), Pekka Leppanen (Communist) and Mikko Kuoppa and Irma Rosnell of the Stalinist minority are the members of the group's committee who have been chosen for the delegation, that is, who will be leaving on the trip.

Member of Politburo to Accompany Them

The difference in the probable composition [of the delegation] in comparison with last winter's is that a member of the SKP [Finnish Communist Party] Politburo, composed solely of moderates, that is, Laaksonen, will also be accompanying them. Leppanen is a member of the moderate Central Committee.

According to Saarto, the invitations received by the group and the party are handled in cooperation with the party, even though separate invitations are involved. The matter was brought up in the Politburo a couple of weeks ago.

The invitation presented to the group is regarded as a new feather in the cap of clever Saarto, who is between the two SKP factions. The moderates having taken possession of all the SKP leadership posts, the importance of a jointly appearing parliamentary group in this election term has grown in the eyes of the CPSU.

The invitation received by the group is a direct hit on the [party's] weak seam for the SKP's moderate leaders, who are at present annoyed with the CPSU's "clumsily" phrased invitation to visit.

The CPSU invited the 17 "traditional" SKP district organizations to visit in September. In other words, the invitation was also extended to the eight Stalinist districts, but not to the seven new moderate districts that were created in the Stalinist districts last winter.

In the SKP moderate leadership the impression is getting stronger that they will respond to the CPSU invitation with the diplomatic expression "no." As far as is known, they are drafting a paper containing such a formulation for the Central Committee, which will be meeting in mid-September and which may, of course, make changes in it.

Other Delicate Points Too

For the moderate leadership the invitation extended to a delegation of district secretaries is not the only delicate point in the 10-point cooperation program presented by the CPSU.

The CPSU has invited an 11-member delegation of journalists, most of whom are Stalinists with "unity forces" publications, to visit at the end of October.

The "hard-line" KANSAN TAHTO (which is a district newspaper) also qualified to get on the CPSU list, but not KANSAN UUTISET, the chief organ of the SKDL-SKP, which is not really a district paper.

As far as is known, in addition to several undisputed points, the CPSU proposal for cooperation contains an invitation to visit for the SKP's Kemi Municipal Committee, which is in Stalinist hands.

The response to the CPSU proposal will be raised at the Central Committee meeting, at which time they also plan to initiate the most plausible way leading to the expulsion of the Stalinist districts.

The Central Committee is getting a paper from the Politburo in which they propose that the Stalinist districts be asked whether they intend to carry out the resolutions of the 20th SKP and special congresses, which call for the cessation of parallel activities.

The Stalinist districts will probably get 2 weeks time to reply to the Central Committee query. The Central Committee will meet again during the first half of October when, as things look now, the expulsion of the Stalinist districts will begin.

11,466
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8 October 1985

POLITICAL

FRANCE

FRENCH OPPOSE MEDITERRANEAN EXPANSION OF EEC

Paris GEOPOLITIQUE in French Summer 85 pp 44-49

[Interview with Jean-Francois Deniau, former minister of foreign trade; date and place not specified]

[Text] [Question] Before tackling the various aspects of the consequences of Spain's and Portugal's entry into the EEC, how do you analyze the profound significance of the expansion of the community in terms of political "philosophy," and on what basis do you think this was accomplished?

[Answer] The larger Europe grows, the harder it is to stay outside it. Spain and Portugal had to enter the EEC for good, straightforward reasons. The first is that the treaty stipulates that a democratic European country has the right to join if it commits itself to respect the rules. The second is that not only on the judicial, but also on the historical and geographical levels, Europe without Spain and Portugal is not completely Europe. The third is the link with NATO, of which Spain and Portugal are members. At a time when Europe's defense problems are as pressing as they now are, it was impossible to refuse them membership. But I would like to stress another political aspect whose importance is not sufficiently understood in France, and that does not simply involve the consolidation of democracy in Spain and in Portugal, which is the reason traditionally advanced.

One often realizes Europe's benefits only when one is outside it. That has been my experience for some time. Freedom, which is the right to choose one's friends, one's political system, one's camp, one's faith, is a rare commodity in this world. Some people are fighting to win it at the risk of their lives. For hundreds of millions of people, the fact that two European countries are freely choosing their camp has a significance we can scarcely imagine. Especially for the people of Eastern Europe. They dream of being able to choose their friends and alliances. The whole very technocratic, burdensome aspect of Europe is something they do not see. For them, our European structure offers an example and hope: precisely inasmuch as it

is a unique historical case of that free choice which Spain and Portugal have just made.

All other movements towards unity have been realized to the advantage of a country or of part of a country against another, and as a means to hegemony. The unity of Germany was formed around Prussia. Piedmont was the driving force of Italy's unity. England was the United Kingdom's pole against the Scots, and northern France insisted on unity against the south etc. The rule of the game in Europe as it was in the making at the end of the twentieth century was that unity must be achieved in freedom and without hegemony for anyone. It is slower, it is more difficult, but its whole value lies in that.

[Question] Envisaged and negotiated for years, the expansion of the European Economic Community to include Spain and Portugal will be effective on 1 January 1986. Taking into account the conditions for the admission of the Iberian Peninsula countries and the discussions which will be carried on, what do you see as the economic consequences for the 10 member European community when it is expanded to 12?

[Answer] Indeed, the negotiations did last a very long time, because in some sectors Portugal and above all Spain pose quite real, serious problems which, moreover, directly affect France: first, the viticultural and horticultural sectors. Spain has the potential for considerable development in these areas, and in relation to the competing products in France, it is certainly better placed. Hence the well-known concern in part of France, especially in the Midi. There is also the fishing problem which is very difficult to resolve.

These are matters that must not be taken lightly, because one of the unwritten rules of the Common Market is that the functioning of the community must not be to the outright detriment of a class of citizens, a country, or an area. Otherwise any European political perspective would be destroyed because of economic considerations, whereas for 30 years the goal has been exactly the opposite: the political integrity of Europe by means of economics. The usual reproaches one hears repeated of slowness in the formation of Europe, of "a lack of boldness," are admittedly justified. But it must be understood that caution is sometimes necessary when one considers what is at stake. Until now, no one can say that Europe has been formed to the detriment of or against one of its members. No doubt each member has gained more or less from it, but no one has lost out.

Where the candidacy of Spain and Portugal is concerned, as with any other country, a genuine effort had to be made to deal with the problems of competition and the harmonization of production so as to avoid possible collision. This natural vigilance was the responsibility of the present French government. I hope that

it has discharged that responsibility and that it has not taken the easy way out which consists in gaining time by freezing the situation for a few years, by saying "we'll see later," the typical false assurance.

But there is a second problem, related to any expansion, which is not caused particularly by Spain and Portugal. The more members one has, the more difficult it becomes to advance and progress. Expansion means becoming top-heavy. The entry of Great Britain, Ireland and Denmark has already resulted in a slowing of activity and community progress. At the beginning, the six signatories of the treaty were politically very motivated, were neighbors, and shared the same concept of law.

Despite the many daily problems and the crises, we spoke the same language and we eventually reached agreement. With expansion, the consequences have been twofold: there are more members, and they differ from one another more. Any agreement is much more difficult to work out. This problem of the functioning of the community itself was never dealt with when we went from 6 to 9 members, then with Greece's entry to 10. Obviously, we were not dealing with the same community and the same rules were no longer possible. And now 12! Besides direct competition in their sectors, one of the worries of French farmers faced with the entry of the countries of the Iberian Peninsula, moreover, was the additional difficulty in making the agricultural policy work (the only existing joint policy), when it was already so difficult to carry out and finance.

[Question] One aspect of the expansion of the EEC not very well understood by the French public involves the repercussions that will result not only in economic but also in political relations with the countries of the Maghreb.

Leading Tunisian, Algerian, and Moroccan authorities have expressed their point of view on this issue. Since you were one of the first to try to awaken public opinion on this subject, could you tell us how you personally see the new deal in Europe's relations with the Maghrebian countries?

[Answer] The countries close to the 12 are now "first in line," if I may say so. The Maghreb, and I would add Israel, are now in the position Spain and Portugal were in before their entry. Especially in the agricultural sector (but also in the economic sector generally: the placing of investments, and industrial trade), they will experience the problems which impelled the two Iberian countries to join. The more the community grows, the more difficult it is to stay outside it. The line has simply been extended. I added Israel because it is a fairly similar case, and one of Brussels' unwritten rules is always to treat Israel and Spain on the same level.

When I was part of the French government, I officially asked the European Commission to make a prior evaluation in the negotiations with Spain and Portugal of the consequences for the other Mediterranean countries and the steps that should be taken.

Usually it is the kind of proposal that is brushed aside with a statement such as: "The agenda is already quite full as it is." It may be recalled that before the entry of Great Britain the threefold formula was fixed: "completion, expansion, reinforcement." Completion was achieved, i.e., the agricultural policy and its financing, because it was the condition set by President Pompidou for Great Britain's entry. Then expansion was achieved, i.e., the entry of Great Britain. As for reinforcement, the third item, only now is it beginning to be discussed because there are now 12 members and each one is realizing that things cannot continue as they are. As was seen in Milan, there is a huge step to be taken before it can be accomplished.

In the meantime, we have too many ties with these countries for anyone to be able to disregard the consequences which expansion will entail for them. Citrus crops, early vegetables, and olive oil are mentioned. But there are also industrial matters for which access to the Common Market is vital. Once again the rule is vindicated that it is difficult to be adjacent to a preferential area without being in it, and therefore that in some measure any preferential area has a natural tendency to expand.

Each of the three Maghrebian countries has reacted quite differently. Morocco favored an overall positive solution; Tunisia was more specific; Algeria was rather negative. Trade relations with Europe are also a political matter. Whatever the demands may be, I think that now there can be no more beating about the bush, and that we will have to make some reply. But it must be realized at the same time that this reply will set a new precedent. There are other countries which at the moment are "second in line" and which in turn will move up to the first place! In sub-Saharan Africa, Southeast Asia etc., there are countries which are our major partners and which will demand either increased aid from the community, or greater trade access, or both.

When the three Benelux countries established their first customs union, everyone congratulated them. When the six created the Common Market, their immediate neighbours became worried and accused them of "dividing Europe." The larger the preferential zone becomes, the less readily preferential treatment is admitted. If it is not justified by a real unity, it appears simply as discrimination. By its consequences on the Maghreb and on other countries (as by its consequences on internal operations), the entry of Spain and Portugal into the European community ineluctably poses the problem of the very nature of the Common Market: either its destiny is to dilute itself into a vast international free trade zone, or it must become a responsible

political entity.

[Question] Beyond economics, expansion to 12 will undoubtedly have important consequences for Europe on the political, strategic (defense policy) and obviously institutional levels. Do you see it as involving a simple adaptation through transition periods, or will we see an upheaval, and even a fundamental change in the spirit and institutions of Europe's structure?

[Answer] First of all, the institutional problem. Europe cannot continue to function with 12 members using the same machinery that was established for only 6 members. Already with 6, and how much more with 10, the procedure and unanimity principle which were the outcome of the Luxembourg agreement made Europe lose a lot of time, a great deal of energy and something of its reputation. For years it has become bogged down in technical, accounting quarrels that are incomprehensible to public opinion. As a matter of fact, the practice of unanimity allows any country to block all progress, as and when it likes: one of the most flagrant abuses is the "indirect veto," i.e., stalling on a matter which really does not concern one very much in order to improve one's negotiating position on another completely different subject which one considers important.

The first task, therefore, is to suppress the abuses of the unanimity rule, all the more dangerous in that there are more members with more widely differing interests. As it is, not everyone agrees on this point, and the "newcomers," particularly Denmark, Great Britain and Greece, have strong reservations. The six original countries and Ireland, and apparently Spain and Portugal, are more disposed to return if not to the letter, at least to the spirit of the treaty and normally to accept the votes by qualified majority.

This return to the beginnings, in itself a small revolution, is not enough. It is essential for the administration of the treaty that its institutional procedures be applied, the "community assets" as they are called in Brussels jargon. Everyone senses the need to ensure the establishment of a large common market, which is the basis of any economic and social progress. According to the Commission, there are still 300 decisions to be made! Thirty years after Europe's beginnings, there are still barriers at the borders, and a spectacular strike by customs officials between France and Italy was a sad illustration of the fact.

But how do we make progress, how do we go beyond the treaty? Usually unanimity is always required. Hence the problem of the number of members, their different desires and their varied capacities arises once again. Must all potential progress be made together, thus threatening to reduce Europe each time to the lowest common denominator? Or can more flexible formulas be worked out like the one I suggested a few years ago, in

anticipation of the inherent difficulties in expansion, calling it "variable geometry Europe"?

It must be realized that the real, rare steps of progress over the last 10 years were accomplished in this context. The most striking example is the European Monetary System, imposed by the political will of French President Giscard d'Estaing and German Chancellor Schmidt, against the advice of their national administrations, in which not all members of the community joined, England notably remaining outside. Monetary solidarity is the real test of a desire for a unified Europe. Moreover, it showed its usefulness as a "handrail" by limiting the political and economic aberrations of the member states. Indeed it was the European Monetary System, by the discipline which it imposes, which in 1982/83 induced the French government to see reason. It may also be noted that what the public at large knows of Europe, the Ariane rocket and the Airbus, are accomplishments made outside the treaty by a limited number of countries with the addition of other countries who were not, or not yet, members. One solution therefore, is to reach agreement on a common basis for the application of the treaty based on a shared customs system while permitting progress in particular areas where some want to go faster and further.

Technology must be mentioned in this connection. It is not simply a matter of keeping Europe from showing a disunited front but of helping it to use its capacities better, to make up for lost ground, not to leave our heirs a different future simply as subcontractors for America and Japan. A Europe which is no longer inventing, no longer creating, is no longer Europe.

Another problem, taboo until a few years ago but that cannot now be avoided: defense. Europe's real goal, even if the Rome treaty is basically economic, is a political one: to guarantee peace between the West European states, particularly between Germany and France; to bind Federal Germany closely to the Western group; to ensure jointly the survival of a type of democracy and civilization which are our own. Without looking for a third illusory way which would dismiss East and West without deciding for either, the European countries must make their own more definite contribution to their own defense. There is no freedom without the sense of responsibility for freedom.

Europe involves rights but also some obligations. Each of the member states has its own concept of the former as well as the latter. What common basis should be found, and with what goal? Expansion forces us to ask ourselves the troubling questions of 30 years ago: How? With whom? Why? It forces us to a confirmation of rights but also to a new definition of the obligations. The most dangerous situation would be to try to avoid coming up with an answer for too long. In fact that would be a choice: a choice against a geopolitical conception of Europe, the dilution

of Europe.

[boxed section]

Gallup Poll

Spain and Portugal have just joined the European community. If Morocco were to apply, would you personally be for or against its entry into the EEC?

Item	Average	PCF	PS	UDF (1)	RPR (2)	Farmers	Managerial Personnel	Laborers
For	33	35	42	17	28	28	22	38
Against	51	51	45	70	63	60	68	46
No opinion	16	14	13	13	9	12	10	16

Key:

1. French Democratic Union
2. Rally for the Republic

Poll taken by Gallup Facts and Opinions from 12 to 14 June 1985 with a sample of 800 representative people of the French population 18 years of age and over. Quota method.

9824

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POLITICAL

FRANCE

BLURRING OF LEFT-RIGHT DISTINCTIONS ON ISSUES EXAMINED

Paris LE NOUVEL ECONOMISTE in French 23 Aug 85 pp 28-31

[Article by Henri Gibier: "The French, the Left and the Right"]

[Text] Rightist France no longer recognizes the left; socialist France seeks to hide behind the skirts of the liberals. Seven months away from the legislative deadline of March 1986, the old revolutionary, and soon to be bicentenary, cleavage entangles the French still further, rather than settling matters among them.

The restructuring of industry in July 1985 can hardly be said to have awakened the combativeness of wage-earners, but it did stir up rivalries between a leftist and above all north-aligned former prime minister and his successor, the latter faulted for governing like a Norman. Ever since Mr Francois Mitterrand came into power, the stock exchange has prospered and trade unionism has declined; real salaries have dropped, and the margins of business firms are recovering; television has moved into the private sector, and Mr Robert Hersant has extended his paper empire; the schools have rediscovered discipline, to the detriment of pedagogy, whereas the preachers of economic reform have been peddling marxism in their pulpits, to the advantage of liberalism: management has swallowed up self-management.

Left or right, the situation imposes the same constraints on national affairs. In the France of 1985, there is more division among governors than among governed. Less and less do the leftist electorate and that of the right constitute captive markets. If the polls are to be believed, the 1981 wave of elation will give way to a tidal wave of opposition next March. Nevertheless, the survey made by AESOP [Association for the Study of Structures of Public Opinion], in an exclusive report by LE NOUVEL ECONOMISTE, shows that the ideological sympathies of the French people are marked by far more subtle variations than their intentions, as manifested at the voting booths. There are just as many--about 30 percent--who refuse to place themselves in one or other camp as who prefer the left to the right. The center is a refuge for the 15 percent who are undecided. All told, the "floating" electorate represents 45 percent of the population of voting age in the Hexagon [mainland France]. For them, the chant of current events is as important as the refrain of government programs: in the era of the media, the art of governing is also in fashion.

AESOP was born from a desire to outstrip this smoke screen of current events. The founding fathers of this association, members of the AEC [Atomic Energy Commission] and the EDF [French Electric Power Company], discovered the importance of the phenomena of public opinion in the mid-seventies, at the time of the inauguration of the French nuclear program. They wanted to learn why nuclear issues had provoked such lively and varied reactions throughout grass-roots France. Their analyses led them to take a more generalized interest in all the themes of French-French conflict, "sounded out" every year since 1977 by means of an opinion poll. Their tool is without an equal in ascertaining year after year what unites and divides the French people.

In economic matters, it is the unifying themes that predominate. When Mr Yvon Gattaz protests the weight of social burdens on business firms, he is not the voice of one crying out in the wilderness: 69 percent of his fellow citizens share his opinion. When Mr Pierre Beregovoy groans about a growth that is not occurring, 73 percent of the French people share his impatience. In a time of economic war, France, from Ariane to Eureka, cherishes dreams of grandeur a la De Gaulle, but it has managed its affairs like Pinay: only one-fifth of the French people do not fear going into debt. The old notarial character continues to leave its stamp on the national temperament, and inheritances remain more than ever a taboo subject. And the France that is linked up with Mr Laurent Fabius does not hesitate to don the formal dress of Jules Meline once more in the face of the industrial challenge coming from the Orient: 50 percent of the people questioned support protectionist measures against Japanese products.

But even in these cases, the weight of consensus does not rule out the shock effect on people's sensitivities. French leftists go into debt more easily than French rightists. The cries of alarm voiced by the CNPF [National Council of French Employers] at the burdens imposed on business firms leave half of the leftist sympathizers incredulous, whereas they serve to convince 85 percent of rightists. The great majority of the latter prefer to help Correze rather than Zambezi, whereas Third-Worldism gives good vibrations to 63 percent of the leftists. On the other hand, the 1968-ist anti-growth reflex reduces the percentage of leftists productivists to 65 percent, as opposed to 83 percent for the center and 80 percent for the right. The fruitful cooperation between Mr Jacques Seguela and Mr Mitterrand has only indifferently reconciled the president's sympathizers and the world of advertising. And finally, the number of those who have their hearts on the left and exonerate tax cheating is larger than the figure representing those who have their pocketbook on the right, as if they were more readily forgetting the fact, when confronting the tax forms, that they, after all, are the state.

In fact, these days a single purely economic theme seems to point up the traditional partisan cleavages: that of the many instances of nationalization. Despite the undeniable degradation of the image of the public sector, nearly half of the leftists maintain that nationalized business firms can effectively compete with those of the private sector. The proportion falls to 20 percent on the right as well as at the center. Yet more spectacular is the gap between the 42 percent of French rightists ready to denationalize Renault and the nine percent of leftist sympathizers who are willing to perpetrate this sacrilege against the workers' fortress.

Over the past five years, the most striking developments in national opinion have been produced in social matters in particular. If the desire for equality remains the sentiment of the majority in the Hexagon, it is because the "People of the Left" are excessively egalitarian, with 71 percent of the majority forces desirous of closing still further the gaps in income, in contrast to the 43 percent who are opposed. This theme has been losing support since 1981, when two-thirds of the French people subscribed to it, with all tendencies jumbled together. Immigration, as first detected by Mr Jean-Marie Le Pen, to his distinct advantage, has become a "sensitive" issue; and 60 percent of the French people find that there are too many immigrants. But only 39 percent of these are leftists, as opposed to 74 percent of rightists. Similarly, only one-third of the followers of Messrs Jacques Chirac or Raymond Barre cling to the 35-hour week, which 68 percent of Mr Mitterrand's friends want to retain.

Perhaps because of the experience of both power and crisis situations, the class struggle does not exclude points of agreement, however, even in the area of social relations. Certain of these were predictable, such as the plebiscite for the preservation of the status quo in social protection--from indemnities for unemployment to the covering of minor illnesses by social security. Others were much less foreseeable, such as the generalized and reprobatory suspicion against those who falsely claimed unemployment benefits. At the very most, is the right more supercilious toward the unemployment racketeers and the left less indulgent toward those who hold secret jobs? There is an internalized application of discipline that also facilitates at least a verbal consensus on the need for social mobility, accepted by 70 percent of the French people, whatever their camp. The victorious slogan of a CFDT [French Democratic Confederation of Labor] recently won over by militant ecologism, the "live and work within the country," now resounds even in the ears of the militants of Mr Edmond Maire.

All things considered, a socialist legislature seems to have toppled the French from the heights of their mystical confidence in May of 1981 to the depths of skeptical resentment. The next team in power will have to unset the traps of this false consensus called "Francoskepticism." The great masses of Frenchmen, leftists as well as rightists, no longer believe in the state, no longer hope in technological progress, no longer trust the courts, are fearful of pollution and take no further interest in political debate. The only thing that finds favor in their eyes is respect for social conventions, which does not necessarily foster creative dynamism.

Among the great problems of society or of life, belief in the existence of God does not escape the general collapse: in 1985 it became a matter of secondary importance to the former Eldest Daughter of the Church. Nevertheless, it is still that age-old question which keeps the line of cleavage the widest between the France of rightists, 63 percent of whom believe in God and that of the leftists, only 23 percent of whom are deists. The sharpest, too, as was demonstrated by the formidable reawakening of both secular and Catholic passions at the time of the debate over private schools. More than for any unseasonable economic recovery, socialist power is now paying for its neglect of that old lesson of national history: politics never lays a hand on metaphysics without getting burned in the attempt.

CHARTS

I. THE POLITICAL CHESSBOARD

Where do you place yourself in politics?

At the extreme left	1 percent	} 28 percent
At the left	27 percent	
At the center	15 percent	
At the right	25 percent	} 27 percent
At the extreme right	2 percent	
No opinion	30 percent	

II. ATTRACTIVENESS OF POLITICAL PERSONALITIES

Who do you wish to see play an important role in the months and years to come? (given in percentages)

	<u>France as a whole</u>	<u>Leftist France</u>	<u>Rightist France</u>	<u>Center France</u>
Michel Rocard	45	55	31	45
Raymond Barre	43	17	53	63
Laurent Fabius	40	50	17	40
Simone Veil	39	20	32	52
Francois Leotard	36	16	41	47
Valery Giscard d'Estaing	32	9	47	38
Jacques Chirac	32	8	45	40
Jacques Delors	30	43	16	36
Jacques Chaban- Delmas	25	7	23	35
Lionel Jospin	20	30	3	13
Jean-Marie Le Pen	14	8	59	17
Georges Marchais	12	16	2	4

III. SOCIAL

Percentage of French people in agreement with the following propositions:

	<u>France as a whole</u>	<u>Leftist France</u>	<u>Rightist France</u>	<u>Center France</u>
1. For the sake of a job, one must not hesitate to move.	69	66	72	72
2. There are too many who lay false claims to unemployment benefits.	66	54	78	73
3. The disparities between tax burdens must be re- duced to a minimum.	58	71	43	55
4. There are too many immigrant workers.	57	39	74	57
5. The 35-hour work week should be adopted.	48	68	30	37
6. Secret employment should be drastically curbed.	38	37	45	35
7. Compensation for unem- ployment should be reduced.	15	9	25	12
8. Social security should not cover minor illnesses.	11	8	14	12

IV. ECONOMIC

Percentage of French people in agreement with the following propositions:

	<u>France as a whole</u>	<u>Leftist France</u>	<u>Rightist France</u>	<u>Center France</u>
1. One must do everything to ensure economic growth.	73	65	80	83
2. Businesses are crushed under social burdens.	69	51	85	80
3. Japanese imports must be restricted.	51	55	54	52
4. Aid to underdeveloped countries must be greatly increased.	50	63	37	47
5. Reduction of military ex- penses is essential.	45	63	38	46

	<u>France as a whole</u>	<u>Leftist France</u>	<u>Rightist France</u>	<u>Center France</u>
6. Advertising is indispensable.	45	40	55	44
7. Cheating at taxes is not stealing.	32	36	28	29
8. Nationalized businesses are just as efficient as private businesses.	30	49	21	20
9. Renault must be denationalized.	24	9	42	34
10. One must not hesitate to go into debt.	18	23	16	12
11. Inheritances must be restricted.	15	22	10	18

V. SOCIETY

Percentage of French people in agreement with the following propositions:

	<u>France as a whole</u>	<u>Leftist France</u>	<u>Rightist France</u>	<u>Center France</u>
1. Pollution is a matter of awesome concern.	86	89	81	84
2. One must respect social conventions.	71	63	83	77
3. Traditional political debate is outmoded.	51	51	57	59
4. God exists.	41	23	63	48
5. The role of the state must be diminished.	29	23	39	18
6. One can trust the system of justice.	23	25	26	19
7. Technological progress finds solutions for all problems in due time.	21	22	23	24

PHOTO CAPTIONS

1. p. 29. Golden rule of the Fifth Republic: to have the presidency in his future, a politician should please the opposition camp. Michel Rocard, the leftist who is the most popular in rightist circles, and Raymond Barre, one of the representatives of the opposition who displeases the majority least, are far ahead. Much more the marked man politically, Georges Marchais is restricted to the lowest level.

2. p. 30. In front of the job-opportunity bulletin board at a Paris branch of the ANPE. The hunt is on for unemployment racketeers.
3. p. 31. On an R-11 assembly line in Douai (Nord). The public corporation at the heart of the partisan divisions.
4. p. 31. The AESOP poll was conducted between 28 May and 7 June, 1985, among a representative sampling of the French population--1 028 persons selected by the quota method.

8117

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POLITICAL

NETHERLANDS

DEN UYL ON REACTIONS TO LABOR PARTY PROGRAM

Rotterdam HET VRIJE VOLK in Dutch 21 Aug 85 p 4

[Report on interview with PvdA [Labor Party] Primary Candidate Joop den Uyl by Frits van der Poel and Yvonne Zonderop: "We Will Indeed Turn the Policy Around"; date not given]

[Text] "I am not unhappy with the reactions. Well, no one would have expected that CDA [Christian Democratic Appeal] and VVD [Peoples' Party for Freedom and Democracy] would shout eureka," says Joop den Uyl, the PvdA primary candidate for the seventh time, on Tuesday morning before his departure to Nicaragua.

"One reaction I find very strange. It is the one of Bert de Vries (parliamentary group leader of the CDA). He shouts--as does Bukman (party chairman of the CDA) as well: "The Labor Party is not going to turn around the retrenchments of the Lubbers Cabinet which they have always criticized so much." And simultaneously he says: "Yes, it is indeed more realistic, but not realistic enough, for the PvdA wants to restore the coupling between wages, benefits and salaries of civil servants and trend followers [those working in government-subsidized areas such as health services]!"

"Thus we are indeed turning the policy around. The cabinet has looked for most of the economizations in the benefits and civil servants' salaries. We are restoring the coupling with wages in industry. And the CDA at most wants to preserve the purchasing power, while the wages in industry are allowed to go up. That's where our roads part."

"The CDA and VVD accept, even propagate, greater differences. This year workers in industry will even gain 2 percent, while those who are entitled to benefits get less. Next year, as I have heard, the difference will again amount to 2 or 3 percent. Something like that is done on purpose. That is an important focus of the elections."

[Question] Party Chairman Max van den Berg [PvdA] has said that everything is negotiable. Only the "no" to cruise missiles is a certainty. Is that coupling of wages and benefits then indeed negotiable?

Den Uyl: "Everything is negotiable, everything is discussible. However, we don't leave any doubt over the fact that the outcome of those negotiations must be that the cruise missiles are not placed. However, that does not make the negotiations useless. That would only be the case if you see the cruise missiles in isolation. It is a matter of the defense effort in general, and of the effectiveness of a security policy.

"The coupling is no less important. It is discussible, but I don't see the PvdA participating in a cabinet which increases the differences. Do you want the income differences to increase or don't you want that? That is the issue. The CDA wants to increase the income differences and the VVD is practically the personification of income differences."

Optimistic

Question: On Saturday you suggested that the softer wording on nuclear tasks is partly intended to draw the CDA closer to you. But the CDA reactions are not encouraging, are they?

Den Uyl: "Basically the wording on the nuclear tasks does not differ from that of 1981 (abolish four of the six tasks during one cabinet period). But we have always made a link with the cruise missiles. If CDA members such as Frinking and De Vries want to look at the cruise missiles in isolation, I find that a very bad policy. They attach themselves to the standpoint on cruise missiles, and that means placing."

[Question] But, surely, then you cannot conclude an accord with the CDA?

Den Uyl: "Well, I still did not give up on that. I am not so thoroughly convinced that the placing decision of the government will really come about on 1 November. I don't believe either that it will be so simple to come to an approval of an accord on missiles which would not be placed until 1988. Imagine what all could be happening by that time in Europe and the world? No, I still have not abandoned hope."

[Question] Isn't that too optimistic?

Den Uyl: "I am aware that an atmosphere of unavailability is being created. I only say that I don't find it entirely obvious. It is at least extremely curious that on the eve of the first summit meeting since 1979 between the American and Soviet leaders, it would be decided to place 48 cruise missiles in the Netherlands. Whoever thinks that that is a contribution to the success of that important moment ought to say so. Surely the cabinet could at least give some more thought to that?"

[Question] Then you are really thinking of a postponement of the decision until after the Reagan-Gorbachev summit discussion?

Den Uyl: "Certainly. The Netherlands surely can't race through that. I find it very naive, that attitude of, oh, let's go ahead and make that decision so we're rid of the trouble. No, that's exactly when the trouble starts."

Small Right

[Question] Right now you are satisfied with the reactions; however, it is very clear that the CDA and VVD are looking everywhere in order not to have to govern with the Labor Party, isn't it?

Den Uyl: "Yes, that tendency can be observed. There are actually three standpoints in the CDA. Bukman shouts every time: no, let's continue with the VVD. De Vries expresses it a little more cautiously. He says: if we retain the majority it is obvious that we will first talk with the VVD. Lubbers doesn't say anything at all about it. He leaves everything undecided.

"But I do indeed think that Bukman is the most representative for the majority in the CDA. The VVD and CDA have started to resemble each other considerably. There is an easy transition of CDA and VVD voters. They have become related parties. I think a certain tendency exists to continue with each other. Moreover the VVD is a smaller partner, and that has various advantages for the CDA, including personal ones. But those tendencies are subject to change. And if they end up with only a small majority or if they lose that, they will certainly have to make up their mind."

[Question] The PvdA is attempting to push the CDA-VVD coalition into a minority. Then the CDA perhaps is obliged to govern with the CDA against its wish. Surely that would become a useless cabinet, which wouldn't last very long either?

Den Uyl: "Not necessarily."

[Question] Do you see yourself as the intended prime minister of a leftist minority cabinet?

Den Uyl: "The term 'intended prime minister' was invented by Burger at one time. I have never used it. No, we are not seeking that alternative, but neither do we exclude the possibility."

[Question] Also because the other minority, the rightist one, is probably larger?

Den Uyl: "That is indeed a fair possibility. The right-left ratio is currently 87-63. Before that is turned around..."

[Question] Do you think that the CDA and VVD will govern together as the largest minority?

Den Uyl: "I don't think that. With the support of the Political Calvinists. I have sometimes worried about it, but it seems unthinkable that they would count on those rightist splinter groups. Euthanasia, the Law on Equal Treatment, and the position of homosexuals are up for discussion.

"There certainly would be a furor in the VVD. But what is more important: if the CDA and VVD should end up forming the minority together, then that would

be such a political chastising of the policy that they would lose the moral right to still govern."

Coupling

[Question] Let's return to the coupling once more. The PvdA wants to restore that, but then it takes the position that workers and benefits recipients don't gain anything by it. Now let's suppose that workers demand part of their wages instead of allow it to be used for shorter work weeks. Then would the benefits simultaneously increase?

Den Uyl: "They would in the framework of the coupling. But that means simultaneously that either the coupling would be under pressure or that the shorter work time would face problems. Hence we attach such great importance to a social covenant, an accord with the social partners. If no accord comes about on wage increases in industry, the entire matter will fail. At this moment the shortening of the work week is already in danger of failing. Therefore, too, I think it is so important for the PvdA to govern, for otherwise I don't see how the process of the shorter work week will be brought to a good conclusion."

[Question] Because the PvdA will ultimately take a legal step to enforce the shorter work week?

Den Uyl: Because when it comes right down to it, the trade union has more faith in a cabinet with the PvdA than in a rightist cabinet."

8700

CSO: 3614/133

POLITICAL

NETHERLANDS

POLL ON COALITION PROSPECTS

The Hague ANP NEWS BULLETIN in English 16 Sep 85 pp 4-5

[Text] The Hague, 16 Sep--Results of an opinion poll published at the weekend show the coalition government of Christian Democrats and Liberals continuing to lose ground, while Democrats 66 are enjoying a rise in popularity.

In an election the poll would have produced the following distribution of seats in the 150-member second chamber (September 1982 election results in brackets): Christian Democrats 41 (45), Labour 58 (47), Liberals 27 (36), Democrats '66 8 (6), other left 10 (9), other right 6 (7).

This gives the ruling coalition 68 seats compared with 70 last week.

The poll was conducted in early September by the Netherlands Statistics Foundation (NSS) on behalf of the Tros broadcasting association.

The next Dutch parliamentary election is scheduled for May 1986.

In a separate poll, the Vara broadcasting association published the following results: Christian Democrats 42, Labour 59, Liberals 29, Democrats '66 5, other left 7, other right 8.

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POLITICAL

NORWAY

CONSERVATIVE PAPER SAYS DISARMAMENT GROUPS 'NATO ENEMIES'

Oslo AFTENPOSTEN in Norwegian 24 Aug 85 p 2

[Editorial: "NATO's Enemies"]

[Text] Are the leaders of the anti-nuclear movement enemies of NATO? In the course of 5 months attorney Borre Sverdrup has raised that question 4 times in AFTENPOSTEN's columns. He has of course not had any reply, which he presumably knew beforehand. This does not prevent the question from being timely. When no answers are forthcoming, there is confirmation of the fact that it is easy for campaign leaders to pretend that their "No to Nuclear Weapons" does not have anything to do with our NATO membership

Instead of answering Sverdrup's question campaign leaders repeat ad nauseam that neither "Treaty Now" nor "No to Nuclear Weapons" "is working to get Norway out of NATO." What the initiators personally believe about our NATO membership ostensibly has nothing to do with the matter. For the sake of security Erik Alfsen and Ole Kopreitan, in their last "answer" in AFTENPOSTEN, stated that as far as they are concerned the debate is concluded.

There are two possible explanations for this deafening silence from people who otherwise are not modest about their claim on space in newspapers and broadcasting time. Either, as Sverdrup wrote in his last contribution on 9 August, they are NATO opponents who do not dare come forward lest they compromise the campaign against nuclear weapons. For the time being, for our part, we would say that they are sailing under a false flag and are using a non-political popular movement as a camouflage.

There is another possible explanation. It may be supposed that they genuinely think that one can both be a NATO member and disagree with the nuclear physics deterrence strategy on which mutual defense is built. But if this is the case, then they leave themselves vulnerable to being misused by more cynical and less naive forces. In this connection, we recall how the Socialist Left Party has used its powerful position within the peace movement we are dealing with now.

Within the Socialist Left Party, there is no attempt to hide the fact that the party wants Norway out of NATO. As is known, forces deep inside the Labor Party are doing this as well, although the left wing of Labor has been content to have the anti-nuclear weapons movement prepare conditions for a future break with NATO.

Out of consideration for their own trustworthiness, as early as possible the campaign's leaders ought to reply to the repeated question of how they personally stand in relation to our NATO membership. Regardless of what the explanation of their unbecoming silence on this one point is, they must know that neither nuclear-free zones nor no to the use of nuclear weapons can be viewed in isolation from the broader security policy context. Permit us to repeat the as yet unanswered question: Are the leaders of the anti-nuclear weapons movement enemies of NATO or are they only opportunists?

12789

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POLITICAL

NORWAY

CHRISTIAN PARTY CANDIDATE VOWS TO VOTE AGAINST 'FIRST USE'

Oslo AFTENPOSTEN in Norwegian 23 Aug 85 p 5

[Article by Morten Moller Warmedal: "Gunnar Prestegard (Christian People's Party) On Nuclear Weapons: No To First Use"]

[Text] "If the question of first use of nuclear weapons comes up in Parliament, I will vote no," said Gunnar Prestegard of the Christian People's Party the other day at a debate meeting in Asker. Prestegard told AFTENPOSTEN that he saw no contradiction between that position and his support of NATO's nuclear weapons strategy.

Prestegard, who is at the top of the Christian People's Party's candidate list in Akershus, got direct questions from the audience about his position on the first use of nuclear weapons during a panel debate about the church. "The question was not very relevant and extremely hypothetical. If the problem were posed in such a way that I as a member of Parliament had to say yes or no to the first use of nuclear weapons, I would have voted no."

"Have you not agreed with the left's conditions in this debate, since they maintain that, because Norway is in NATO, we should also approve the alliance's strategy, in which first strike is included as a possible alternative?"

"There is no contradiction here. Norway is completely outclassed and must advance its security policy through NATO, and by participating in the Western defense alliance we must ensure deterrence and disarmament. I am involved in seeing to it that the disarmament negotiations move forward. In this connection I stand by the formulation of the Christian People's Party's program and have no problems in siding with the Government's position in this debate," Prestegard said.

12789
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POLITICAL

NORWAY

SOCIALIST-LEFT'S SECURITY PLATFORM

Oslo AFTENPOSTEN in Norwegian 29 Aug 85 p 10

[Article: "AFTENPOSTEN's Reader Interviews -- Hanna Kvanmo Replies:
'Do Not Undermine Nuclear Freedom'"]

[Excerpts] "The Socialist Left Party believes that Norway's nuclear freedom must not be undermined in peace time and that the same thing must be true in war. The first use of nuclear weapons is part of NATO's strategy. This is one of the reasons the Socialist Left Party wants Norway to withdraw from NATO." So said Hanna Kvanmo, parliamentary leader of the Socialist Left Party, in her reply to AFTENPOSTEN reader Bjarne Aaberg from Lommedalen.

Bjarne Aaberg asked this question of Hanna Kvanmo: "Would a self-imposed nuclear-free zone in Norway against NATO's interest and wishes make Norway's NATO membership untenable?" The rest of Kvanmo's reply to Aaberg went as follows:

"As far as I am aware, there is no one who advocates a self-imposed nuclear-free zone in the Nordic region. Everyone, including the Socialist Left Party, wants a Nordic nuclear-free zone to be guaranteed by the nuclear powers. A nuclear-free zone in Norway? Don't we have it anyhow?" In any event both Willoch and Stray say so."

NATO/Labor Party

Sigurd Storeng, Tynset: "What would the relationship become with regard to NATO membership if the Labor Party wins the election?"

Reply: "I do not have the right to answer on the Labor Party's behalf, but I do not know whether the Labor Party at any time has questioned Norway's NATO membership. I do not believe this will change."

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POLITICAL

PORTUGAL

PRESIDENTIAL CANDIDACY OF MILITARY LEADERS DISCUSSED

Divided Military

Lisbon EXPRESSO in Portuguese 31 Aug 85 pp 1, 20

[Text] Armed Forces Chief of Staff [CEMGFA] Lemos Ferreira, who in recent weeks has given his friends and co-workers clear indication of his availability to be a candidate for Belem [the presidential palace], is counting on the alleged "weakness" of the Freitas do Amaral candidacy in a direct contest with Mario Soares in a presidential runoff election, saying specifically that the former centrist leader "fell short" as a "political leader."

Circles that are close to him have told EXPRESSO that they believe that under the same circumstances the CEMGFA "would have no trouble" defeating the current prime minister, as he could draw votes from a broader political spectrum than that in which the Freitas do Amaral and Mario Soares candidacies are based.

In any event, the same sources point out, Lemos Ferreira would agree to run for Belem only within the framework of demands met by whoever agrees to support him--going ahead only if certain he will be in a good position to win the race.

Beyond the certainty that the CEMGFA will not make a definitive decision until the embers of the October legislative elections have cooled, a "bid" for later support is also out of the question--according to sectors having contact with him--the more so because Lemos Ferreira wants to strengthen the image he has created (through interviews or through reports circulated by his co-workers) of being politically "firm" and "demanding" in regard to the presidential elections.

"The general would not be interested in becoming president merely to be another Americo Thomaz. He would want to have a reasonable amount of decision-making power," asserts one active-duty military man, adding that Lemos Ferreira follows the nation's economic situation "closely" and has frequently made comments, within circles of friends and acquaintances, about the way in which economic and financial affairs have been conducted that are "very crushing." He is alleged to have said that "no one has yet gone to the roots of the problems."

When asked whether such an attitude would imply a previous commitment about constitutional revision, especially in regard to presidential powers, the same military man said he has never heard anyone speak of such a demand.

'Isn't a Good Colonel Promoted?'

Whereas Lemos Ferreira remains silent, in public, about the presidential question (his most recent political comments were made on the occasion of commemorating Armed Forces Day), his alleged opinions have been reported by "close sources."

But the newspapers, as well as military and political circles, for some time have been mentioning that the CEMGFA has talked directly with political leaders and party officials, including the president of the republic, during which it is said that presidential scenarios have been sounded out in both directions.

On Thursday Lemos Ferreira met with Ramalho Eanes in Belem for about 1 hour but, although reports from circles considered close to the CEMGFA have insinuated that the presidential question may have been brought up, a source authorized by the president's office stated categorically that only questions of a military nature were discussed.

Political observers, meanwhile, have called attention to a rift within the PSD [Social Democratic Party] regarding presidential candidacies that could benefit Lemos Ferreira.

A PSD official, conceding that the party's leadership intends to play the presidential issue safe, told EXPRESSO this week that the official position until 6 October is that of not closing any doors, precisely because of fears of a re-alignment of forces and the appearance of new candidates.

As for the military, they are also divided about the possibility of a Lemos Ferreira candidacy: whereas some appear unfavorable to a military candidacy at this time, others are considering the possibility of supporting the current CEMGFA, while still others prefer some other military man, depending upon the situation at the time.

Commenting upon the opinion expressed by some analysts that Lemos Ferreira should remain in the Restelo Building, because he is "such a good CEMGFA," one military man who is an enthusiastic supporter of the general asserted recently: "Then, if you have a good colonel, you should not make him a general because he has been such a good colonel?"

Soares' Opposition

Lisbon TEMPO in Portuguese 30 Aug 85 p 11

[Text] Armed Forces Chief of Staff (CEMGFA) Lemos Ferreira will become a candidate for Belem after the legislative elections, as TEMPO reported 8 days ago.

Lemos Ferreira, who through a close source expressed this intention, asserting that he was doing so to prevent the presidency of the republic from falling prey to partisan politics and hence that his participation would be a service mission, will have a broad base of support, as we reported earlier, which could begin to take form after 15 October.

The PSD has not yet said explicitly that it will support Freitas do Amaral, and within this silence may be concealed the entire strategy of Lemos Ferreira's appearance.

Ramalho Eanes, who is awaiting the results of the coming election (there are those who are sure that the PRD [Democratic Renewal Party] may have less than 13 percent of the vote, "stealing" votes from the four major parties), would thus be in the political center of the decisions about forming the new government.

A TEMPO source declared that the Lemos Ferreira candidacy will use arguments such as that of the existence of symbolic figures in Spain, Great Britain, Belgium, the Netherlands, Luxembourg and Denmark at the head of the nation's destinies, who combine the nation's traditions and virtues.

After the 6 October elections, Cavaco, possibly jointly with Eanes, will pick the name of the candidate for presidency of the republic and that name, everything leads [our source] to believe, will be that of Lemos Ferreira--a military man who, according to statements by supporters of Freitas do Amaral, has an excellent background and throughout his career has achieved the highest professional success.

The candidacy of Lemos Ferreira has been gaining supporters for a long time in military circles of all branches, where Col Luciano Roque has almost made it his own personal business. Colonel Roque is a man with much experience in political "marketing" and has substantial knowledge about the former overseas Portuguese provinces.

Military circles would look favorably upon a military man in Belem and in so doing have overcome differences of all sorts, although there are those who still have problems about future understandings between the democratic parties and the PRD, which they regard as composed of persons with shady backgrounds and military men with a questionable past.

The appearance of Lemos Ferreira will raise problems for the candidacy of Freitas do Amaral which, obviously, is counting upon the PSD and the CDS [Social Democratic Center Party] to make it to Belem, and which in October may begin seeing many things damaged, including the support of independents.

Maria de Lurdes Pintasilgo is seeing her candidacy lose momentum daily and is now confined to the romantic Left. It doesn't count for much now.

Mario Soares, who, we repeat, depends upon the party with about one-third of the Portuguese electorate's votes (those of the PS [Socialist Party]), will be Lemos Ferreira's main opponent. But if we look at the PS capability of mobilizing the masses and especially at the great negotiating power of Soares, it can be assumed that a great battle will be fought.

At the moment it is not known what position the communists will take in this election that in the political life of Portugal is more important than the legislative elections. It is advisable to be alert for the voting recommendation the PCP will give its members. Cunhal will make it at almost any meeting, with more or less emphasis, depending upon the strength of his conviction.

Costa Bras Mentioned

Lisbon O DIABO in Portuguese 27 Aug 85 p 4

[Text] Any Costa Bras candidacy for president of the republic will depend, above all, on what electoral results the PRD achieves, O DIABO has learned. A result favorable to a candidacy would be for the PRD to obtain more than 11 percent of the votes in the October legislative elections. Another determining factor would be whether the PRD votes would be enough to let it play a key role in constituting parliamentary majorities. Two points that undoubtedly are both ambitious and unpredictable.

When queried formally about the subject, however, the sources closest to Costa Bras refuse to comment precisely about such conditions and merely limit themselves to the traditional "any news about any candidacy will be completely extemporaneous."

Extemporaneous or not, the truth is that the candidacy of Costa Bras is being assessed in some campaign headquarters of the other presidential candidates.

Freitas do Amaral feels that such a candidacy would not affect him, whereas Pintasilgo's forces are almost in a state of panic in view of this possibility, the more so because Costa Bras, it is said, might have the backing of Eanes, which has not yet happened in her case.

In some circles it is even suggested that emergence of the "Costa Bras hypothesis" is not unrelated to the influence of Manuela Eanes, increasingly desirous of personal political participation and to whom Pintasilgo is not an attractive personality.

Sectors loyal to Soares, in turn, try to assume a tranquil air when faced with the Costa Bras hypothesis. The possibility is viewed as an unexpected advantage for the Socialist candidate, based upon the optimistic rationale that if Bras runs he will reduce the chances of Pintasilgo for election. According to the socialists, "it is already known who will support Soares for president: they represent 15 percent of the electorate. So anything that splits the Left is good."

The news about the Costa Bras possibility came out in the middle of last week, causing some perplexity in political and journalistic circles, from which were not excluded suspicions that it was a "trial balloon" with objectives and scope not yet totally determined.

But the inquiries we have made point, as we said, to the existence of some action, although discreet and, above all, prudent... in the old style of Belem.

Moreover, the backgrounds of Bras and Eanes have some similarities.

The president's support for this hypothetical candidate could, however, present Eanes with an extremely complicated question: his running again in 1990...

Because, clearly, Eanes is thinking of this, as in due time we shall see...

Ferreira, Bras Weighed

Lisbon DIARIO DE NOTICIAS in Portuguese 29 Aug 85 p 6

[Editorial: "The Winds of Fortune"]

[Text] Potential candidates for president of the republic include all eligible citizens, that is, those that, in the enjoyment of their electoral rights, are natives of Portugal and are over 35 years of age. This is what one learns from consulting the constitution. Nevertheless, there are names of citizens who meet the above conditions and who are "more potential" than the others. Some because they have already announced their intention to run; others because they are in the sights of political forces, social groups or a mere circle of friends--or are trying to get within range; still others because they have been kept in the lime-light by the newspapers for months or even years, by less-clear devices and without it being known with the least precision what their own feelings are about the intentions that have been attributed to them. General Lemos Ferreira is one of these last cases.

Rivers of ink have flowed in regard to the potential candidacy of the current armed forces chief of staff, in all directions, pro and con, despite the fact that the general has never said yes or no to the race for Belem. On the innumerable occasions upon which he has been asked to express himself, he has taken refuge systematically in observations of a general and conceptual nature about the duties of the president, the political situation within which the elections will be held or about the nation's future, never rejecting the possibility of running, but never embracing it either. Mysterious "sources" of information represented as "close" or assumed to be knowledgeable about Lemos Ferreira's thinking, however, take it upon themselves to say, from time to time, what his plans are, as though a veritable campaign committee were already functioning within the entourage of the armed forces chief of staff. And the truth is that he himself has not complained about his name being used abusively, thus leaving the impression that continuation of uncertainty is part of an already-established strategy, on the presumption that, if he is not a candidate now, he could very well become one, should the legislative elections produce a situation he views as favorable. That is what these "sources" are now saying, in an assertive tone.

In another political quadrant--and perhaps as a counterpoint, or as part of a real strategy, or as a result of some disinformation maneuver--the name of another highly-esteemed military man emerges: Costa Bras, currently filling the position of High Authority against Corruption and more than once suggested as a "potential candidate" in exercises of political scenarios. In this case also, the target has not complained of abuse. Would it be legitimate to deduce that "silence gives consent"?

One or the other of these potential candidacies could become a fact, theoretically at least, if we bear in mind that two of the four major parties--the PSD and the PCP--have not yet declared their formal support for any of the known candidates. The former because it began by having too many candidates, and couldn't decide upon just one, ending up divided and leaving it unknown, as of the present, how it will all come out in the end: whether it will support Freitas do Amaral,

which is likely to be the preference of Cavaco Silva, or some other "independent" personality less suspect in the eyes of some sectors of the PSD and willing to undertake the so-called "project for change"--a formula that resulted from the renowned internal referendum and which until now the PSD leader has not renounced, despite the Freitist sympathies attributed to him. Lemos Ferreira, or better, the "sources" that claim to be interpreting his intentions, never tire of speaking of "change."

The PCP, in turn, has hemmed itself in with precautions in approaching the presidential question. It knows its votes could be decisive, but does not conceal the discomfort this problem brings it. Pintasilgo is a "democrat," as Alvaro Cunhal has said, but how far will that go toward eliminating the mistrust some communist leaders harbor toward the candidate? Costa Bras is also a democrat, although he has nothing to do with the PCP, but he combines this trait with another traditionally dear to the communists: he is a military man. If by chance he should enter the presidential race with the support of the fledgling PRD--whose attitude toward Pintasilgo is also characterized by a calculated aloofness--the appearance of Costa Bras could well solve the PCP's problem, although this may be of no concern to the candidate.

All this, of course, is no more than conjecture, in regard to Lemos Ferreira as well as to Costa Bras. One thing, however, appears certain: both of them, as actual and not merely potential candidates, would be disruptive forces for two "strong" known candidates--Freitas do Amaral and Lurdes Pintasilgo. Mario Soares, however, could not help but view favorably the entry of these two military men in the presidential race. It would be, so to speak, just one more stroke of good luck in the political career of a "leading runner."

8834

CSO: 3542/250

POLITICAL

PORTUGAL

PCP SEEN TIRED OF ISOLATION, IN NEED OF SUPPORT

Lisbon SEMANARIO in Portuguese 7 Sep 85 p 8

[Article by Jose Miguel Judice: "A Party Old and Alone"]

[Text] In modern societies, the fate of older people is increasingly that of isolation and solitude. And faced with the risk of or the tendency toward such isolation, there are two types of exaggerated reaction: the first is an excessive, unwholesome affirmation of autonomy ("I am alone, but I do not need anyone"). The second is, on the contrary, a tendency toward a more or less expressed and conscious desire for dependence, a more or less querulous complaint ("No one pays any attention to me, I am abandoned, what will happen to me").

The Communist Party is old, and perhaps because of this, it is the party that lives most with solitude, with its memories and remembrances, with the rejection (which is believed to be ideological and is genetic) of the modern world. It is a party alone, and also a party that is insecure in its solitude, increasingly eroded and dominated by the inevitable contact with the world around it, which has less and less to do with the "dogmas" and the rules that sustain the myth.

Because of all this, or in spite of this, the PCP reacts to solitude, and thus far has reacted, as a rule, in accordance with the first possibility mentioned above. This is the sentence naturally used when someone hurts the feelings of the old party with proof that it is alone, against everything and everyone.

Meanwhile, times are changing, and even within the PCP there are events, changes, evolution. Isolation as glory is being transformed into isolation as complaint. This is the deep meaning of an ongoing strategy related to the attempt to widen the spectrum of the political forces with which the communists can and want to speak, even if they are aware that this would compel them to change a little: the Portuguese communists will change and would like to do it in a way that will win them someone who will accompany them, so that they will no longer be alone.

That is why the communists' legislative strategy is a sole one, enjoying the benefits of simple and clear ideas: to prepare the militants and the voters for a desired rapprochement with the PRD [Party of Democratic Renewal],

but at the same time to avoid the very serious threat that the PRD will attract some of their voters. To prepare the lonesome communists for the delights of a future communion in goals sufficiently common, but do it without awakening the desire that the bridge that is being built to be used by many who, now tired of being alone, would prefer to change places instead of waiting that their future companions come to them.

For this, it is necessary that the PRD position itself between the PS and the PSD, and never between the PS and the PCP. In that position, the PRD could be an ally sufficiently distant so that the transfer of the vote would be nonexistent. In a position between the PS and the PCP, on the contrary, a transfer of the vote would be easy and, therefore, dangerous, in addition to which one must consider the existence (at least in the north) of the useful MDP/CDE [Portuguese Democratic Movement/Democratic Electoral Commission].

In their efficient repetitious style, Cunhal and his comrades are saying just this: it would be useful for the PRD to subtract votes from the PS and the PSD, but it would be prejudicial for that party to subtract votes from the APU. If I remember correctly, this is the first time I have witnessed an electoral campaign in a democracy that is based on the desire to convince members of other parties to change their vote for a party that is not the one that is attempting to convince. But this idea of positioning parties in the political spectrum as one sees fit is what happens in the socialist bloc countries, in which "pluralism" is the term attributed to party organizations in accordance with the interests of the person who, in the end, is the supreme leader of everything and everybody.

But the tragedy of the PCP is to be found precisely in the fact that it is compelled to choose this kind of strategy. On the one hand, it means that it is far more probable that the PRD will take away more votes from the APU than Cunhal would like, and that it is far more probable that the PRD will be prejudicial instead of useful. On the other hand, the strategy cannot avoid the natural consequence expected by the PRD: the tropism of power, the decline of the Marxist myth and the very leadership structure of the "Eanist" party will involve it, on a medium term, in contacts with the PS and not with an alliance with the PCP.

Therefore, the PCP is running the risk of having aided in the creation of a viper, an ungrateful party which, once having caught on with the communists' assistance and with some of the votes attracted from this source, will sell itself for a more or less full plate of lentils, leaving the communists still more isolated and abandoned, still more traumatized by the isolation after having dreamt of the delights of communion.

It is very onerous to be a communist in Portugal, but what will the Portuguese communists do?

CSO: 3542/249

POLITICAL

PORTUGAL

AUGUST POLL RESULTS: PINTASILGO STILL IN LEAD

Lisbon TAL & QUAL in Portuguese 6 Sep 85 p 3

[Text] At this moment, Maria de Lurdes Pintasilgo is the likely winner of next year's presidential elections. According to a poll conducted by Euroexpansao for the Damiao de Gois Institute, the populist ex-prime minister would defeat any one of her opponents in a presidential runoff election by a comfortable margin of at least 6 percent.

The poll, taken at the end of August among 1,006 voters, provides for the possibility of a military man supported by Ramalho Eanes entering the race for Belem [the presidential palace], joining Mario Soares, Freitas do Amaral and Maria de Lurdes Pintasilgo, who have already announced their candidacy. Thus, in the first round of the presidential elections the electorate would give 15 percent of its vote to Mario Soares, 31 percent to Maria de Lurdes Pintasilgo, 34 percent to Freitas do Amaral and 20 percent to Firmino Miguel. The poll gives a choice of several names of military men who have been mentioned publicly as presidential possibilities, including Costa Bras, Rocha Vieira, Garcia dos Santos and Lemos Ferreira, but it is the name of Firmino Miguel that draws the most votes.

In the runoff, where the voters would have to choose between Pintasilgo and Freitas do Amaral, the former would win, with 53 percent of the votes compared to 47 percent for the latter. If those interviewed, 38 percent said they did not know for which of the two they would vote.

In the possibility of a runoff in which the voters would have to choose between Pintasilgo and the military candidate supported by Eanes, the ex-prime minister would also win, with 54 percent, while Firmino Miguel would obtain 46 percent of the votes. In such a case, the percentage of undecided voters increases to 42 percent.

One of the more curious findings of this poll is the way in which voters of the various parties choose their presidential candidate. Thus, of the voters who said they would vote for the PS in the legislative elections, only 49 percent intend to vote for Soares in the presidential elections; 21 percent said they would vote for Pintasilgo, 14 percent for Firmino Miguel and 3 percent for Freitas do Amaral. Of the APU [United People's Alliance] voters, 51 percent are voting for Pintasilgo, 13 percent for Firmino Miguel, 3 percent for Freitas do Amaral and less than 1 percent for Soares. Of the PSD [Social Democratic Party] voters, 53 percent said

they would vote for Freitas, 15 percent for Firmino Miguel, 5 percent for Soares and 4 percent for Pintasilgo. The CDS [Social Democratic Center Party] electorate is voting overwhelmingly for Freitas do Amaral: 71 percent, giving 7 percent to Pintasilgo, 5 percent to Firmino Miguel and less than 2 percent to Soares.

The voters who said they would vote for the new party, the PRD [Democratic Renewal Party], are divided between Pintasilgo--46 percent--and Firmino Miguel--40 percent. Freitas do Amaral attracts only 6 percent of the "Eanist" votes, while Soares, curiously, doesn't draw a single vote in this sample...

Dividing the votes according to region, Pintasilgo leads the first round in Lisbon, the central coastal area and the southern interior, while Freitas do Amaral takes first place in Porto and the north.

In a runoff, 69 percent of the APU voters, 65 percent of the PS and 62 percent of the PRD are voting for Pintasilgo, while 70 percent of the PSD voters and 78 percent of the CDS supporters are for Freitas do Amaral.

These findings, the specialists warn, are only an indication of current trends of the electorate, 40 percent of which--they stress--don't yet know or won't say for whom they are going to vote. Much remains to be decided in regard to the presidential elections, from the choice of a military candidate to the name supported by the PSD, the only major party that has not yet chosen a candidate. All this remains for after the legislative elections, the results of which will determine the eventual strategies and alliances in this race for the Belem Palace.

8834

CSO: 3542/252

POLITICAL

PORTUGAL

BRIEFS

'NEW LEFT' POLITICAL STATEMENT--The New Left demanded that PSD [Social Democratic Party] leaders Cavaco Silva and Fernando Nogueira prove their assertions about the positions and purposes of the former organization. In a communique, the New Left asserts that the two social-democrat leaders "went on television and radio to slander the positions and purposes of the New Left" last week. "Without the least shame," the document points out, "they tried to confuse the PS [Socialist Party] with the PC [Communist Party], referring to the New Left as an agent of such a fanciful rapprochement." The New Left "demands that Cavaco Silva, through the RTP [Portuguese Radio-Television System], and Fernando Nogueira, through Radio Comercial, prove their assertions or retract them." That organization also demands the right to reply over the two broadcasting systems. In the communique, the New Left reaffirms that it supported establishment of the PS/PSD coalition but that "in view of past experience and the current leadership of the PSD," it will not be able "to support such a solution" and will continue to "oppose any governmental coalition with the PCP." [Text] [Lisbon DIARIO DE LISBOA in Portuguese 4 Sep 85 p 4] 8834

PRD: EANIST OR NOT--Will the Party of Democratic Renewal appear to the electorate as the party of Eanes? Since the possibility of the very president of the Republic appearing on television guiding Herminio Martinho by the hand is to be excluded, the only alternative for the PRD is to use Manuela Eanes and the political entourage of the president, while simultaneously thanking its adversaries for their insistence in calling it an "Eanist" party. The fact is that for the PRD, it is a question of life and death to be identified by the electorate as the "Eanist" party. A recent poll reveals that 60 percent of the voters do not know what the PRD represents. According to one of its leaders, if the PRD can make it clear to the electorate that it is supported by Eanes, it will obtain 20 percent of the votes, while only receiving 7 percent if its attempts are unsuccessful. According to figures cited by this leader, the PRD's electorate would be constituted, in the better alternative mentioned above (20 percent), half by the PS' former voters, 20 percent by APU voters--a conclusion already reached by the PCP leaders, something that explains why Cunhal is attempting to reason that all voters must choose the PRD, except APU voters--and 11 percent by PSD voters. Still, according to this leader, it is expected that 19 percent of those who voted for the PS and the 15 percent of those who voted for the APU will vote for the PRD. [Text] [Lisbon TAL & QUAL in Portuguese 6 Sep 85 p 3]

POLITICAL

SWEDEN

NEWSPAPER, POLITICIANS REACT TO ELECTION RESULTS

Problems Seen Confronting SDP

Stockholm DAGENS NYHETER in Swedish 17 Sep 85 p 2

[Editorial: "Back to Normal Life"]

[Text] It is open to discussion whether the Social Democrats had a good or a bad election, it all depends on what one compares it with. The gains from the rock-bottom figures of the opinion polls immediately before the turn of the year are impressive. Apart from the election victory of 1982, the preliminary voting figures of 45.1 percent are better than in any election since 1970. The most important thing for many people, however, is the fact that the party remained in power after a successful propaganda war against the Moderate Coalition Party, which had previously been extremely confident of victory.

However, there is still a great deal for the Social Democratic Party leadership to feel uneasy about. The election result, after all, involved a setback by a 0.5 percentage unit--this in a situation where the economy has been operating at full speed, and the nonsocialist government alternative, at the same time, has had difficulty maintaining its credibility. A better domestic policy basis on which to meet the voters for the governing Social Democratic Party is hardly conceivable: the fact that the result was not any better is an indication that on several issues where the freedom of choice theme is prominent--family policy, schools, housing, collective hook-ups, etc., the party does not want to, or is unable to, comply with the desires of large voter groups.

The credibility of Kjell-Olof Feldt has been one of the best arguments of the Social Democrats in this election campaign. Paradoxically, however, the fact that a government which is making advances may cause the interest among voters in economic issues to diminish may be dangerous to the party. Where it is a question of other things than defending advances made within the social sector, the Social Democratic Party is in a considerably weaker position: the demands for reforms involve regularly an expansion of the power of the public sector with respect to the use of resources, which is increasingly in conflict with the well-intentioned demands for freedom of choice on the part of the individual.

A more immediate concern is the new parliamentary situation where on issues dividing the parties into blocs, the government party has become dependent upon the active support of the Communist Left Party. Since the Social Democrats no longer have more seats in parliament than the nonsocialist parties together, it is no longer any use for the Communist Left Party to abstain from voting. The Communist Left Party now has to vote for government proposals which may be far removed from the ideological position of the party.

The cooperation now becoming necessary is embarrassing for the Social Democrats: The attempt on the part of Olof Palme in a commentary on the eve of the election to clear the the Communist Left Party democratically cannot be interpreted in any other manner. However, it actually is of minor importance for the work in parliament whether the Communists adhere to their revolutionary ideology, it is more important if, by showing their independence and pursuing a policy of overbidding, they make life difficult for the government. In the debate among party leaders on TV, Lars Werner said that his party will not agree to the VAT-increase, on which Kjell-Olof Feldt has merely said that it will not come before the New Year.

This gives an indication of the upcoming negotiating process where the Ministry of Finance and the leadership of the Communist Left Party are opponents. To Feldt it is an important task to stop the growing balance of current payments deficit, which has arisen as a result of the fact that, in the course of the election year, private consumption was allowed to increase, causing a rapid increase in imports. During the spring, the government attempted to tighten the credit policy, which caused higher interest rates and might thus also hamper investments within the industrial sector.

A tightening of the financial policy would now be needed instead: in practice, a reduction of the budgetary deficit through tax increases or, rather, through a reduction of expenditures. However, contrary to devaluations or increases in the interest rate, a decision on the part of parliament will be needed, not just by the government or the Central Bank.

Persuading the Communist Left Party to agree to tax increases will probably be feasible--especially if they are imposed on employers or shareholders. However, a VAT-increase will probably require that the party receives support for its demand that food be exempt from taxation; the possibility that the Communist Left Party might agree to any major cuts in expenditures beyond cuts in the defense budget may be regarded as ruled out. The scope of action on the part of the government, therefore, is greatly restricted, at least as long as it is unable to establish better relations with the opposition.

Their hope may be that the Center Party might change its position after the election loss and a change of party leader, if at all. However, it is not as simple as that: in the Luncheo yesterday, Olof Johansson, who has often been mentioned as a party leader candidate, stated his skepticism more expressly than previously with regard to cooperation on Palme's terms.

Liberal Party Advance Assessed

Stockholm DAGENS NYHETER in Swedish 17 Sep 85 p 2

[Editorial: "The Miracle Man"]

[Text] In times of setback, generations of Liberal Party members have imagined themselves back in 1948, when Bertil Ohlin won his election victory. Experts are now saying that the Liberal election victory last Sunday is unparalleled in modern history. Has Westerberg even surpassed Ohlin?

He has indeed if compared properly to Ohlin.

The Liberal Party has now by far doubled its share of the electorate--from 5.9 percent to 14.3 percent. Between the parliamentary elections of 1944 and 1948, the party increased from 12.9 to 22.8 percent. (It was thus not a question of a doubling as stated by us in the Monday editorial.) The relative increase is far bigger now, although the share of the undecided electorate now joining the party is somewhat smaller (8.4 as against 9.9 percent).

The number of Liberal seats in the Lower House of the Swedish Riksdag increased in 1948 from 26 to 58. The number of Liberal seats in the Riksdag is now increasing from 21 to 51. In both cases, it is a question of more than a 100 percent increase.

The elections to the Riksdag in 1948, however, were preceded by municipal elections in 1946, when the Liberal share of the electorate was 15.6 percent. The gains in 1946-1948 were clearly smaller than in 1982-1985.

The election result of the Liberal Party in 1948 agreed with the opinion poll figures in June of the same year and had been preceded by a long-term increase in supporters. Bengt Westerberg broke through in the middle of the election campaign and even left the prognoses of the election week far behind him. We have never before experienced a similar drama in the very election spurt. Election researchers have been faced with a hitherto unknown and apparently irrational phenomenon. Among election strategists there will probably soon appear a new nervous disorder, the Westerberg syndrome.

Bengt Westerberg has changed the political picture of Sweden: The Liberal Party has passed the Center Party and the middle parties have passed the Moderate Coalition Party. What this means may in a simple manner be clarified by means of the voting arrangement of the Swedish Riksdag.

Mats Svegfors, the political editor of SVENSKA DAGBLADET, pointed out the other day that the party or the constellation of parties which is capable of bringing its proposals to the final voting also in practice "formulates the non-socialist alternative." That position involves "an extremely strong negotiating position," he writes.

During the past few years, the Moderate Coalition Party has had that position. According to the pattern for the preliminary votings described by Svegfors, the Liberal Party will in the future be formulating the nonsocialist alternative. This is based on the assumption that the Center Party subsequently votes for Liberal proposals if their own motions have been defeated.

At one pull, the new miracle man has lifted the center of gravity of the opposition from the Moderate Coalition Party to the Liberal Party.

Economic Maneuvering Room Less

Stockholm DAGENS NYHETER in Swedish 17 Sep 85 p 6

[Commentary by Sven Svensson]

[Text] The freedom of action of the Social Democrats has become greatly limited by the election outcome. Increasing taxes with the help of the Communist Left Party or adopting a nonsocialist retrenchment policy are the two alternatives between which the Social Democratic government may choose during the coming triennial election period.

Organized political cooperation across political bloc lines is inconceivable in the immediate future. It is due to the great distrust on the part of nonsocialist party leaders of the Social Democrats' inability to keep their promises in political agreements.

The nonsocialist party leaders, and especially the leaders of the Center Party and the Liberal Party, refer to the wage-earner funds, the damage in connection with the 1981 tax agreement and the energy agreement of the Liberal Party with the Social Democrats on twelve nuclear power plants which was changed after the reactor accident at Harrisburg. When it has been beneficial for their own party, the Social Democrats have failed to comply with the agreements, the middle parties claim.

Time for Budget

Already this week the Social Democratic government will begin considering the proposals which will have to be submitted to the Swedish Riksdag which will start its fall session on 30 September. The guidelines for the work on the budget in the fall will have to be drawn up immediately. No budgetary work was performed during the election campaign. The main objectives are to reduce the budgetary deficit of the state and to attempt to stop the increase in the deficit of the balance of current payments, i.e. the exchange of goods and services with foreign countries.

The composition of the Social Democratic government had to be changed in a couple of areas. Olof Palme's line is successive renewal of the government, and the inner core still exists around the quartet of Olof Palme, Ingvar Carlsson, Kjell-Olof Feldt and Sten Andersson.

It is, first and foremost, the minister of communications post after Curt Boström which will have to be filled quickly.

Minister of Defense Anders Thunborg cannot remain in his post much longer either.

Two Candidates

The present minister of state-owned industry, Roine Carlsson, and the political leader of Goteborg, Sven Hulerstrom, are the foremost candidates for the vacant cabinet posts, as pointed out by DAGENS NYHETER previously. Discussions will soon start on the treatment within the cabinet of environmental issues, with Birgitta Dahl as the most unifying figure.

The defense issue will soon enter into an active stage. The present committee on national defense will in 1986 have to reach an agreement on the defense policy objectives for the 5-year period during 1987. The new defense minister ought to be in charge of this work, and he will have to seek to unite the various defense groups of the Social Democratic Party as well as to seek to reach an agreement with the nonsocialist opposition. After the Soviet violations of Swedish territory, defense issues will become a major political issue in the upcoming election period.

The government will, first of all, have to fulfill two election promises in the course of the first hundred days. A prohibition laid down by law of the use of asbestos at places of work has been promised, and compensation in the case of partial pension is to be increased from 50 to 65 percent of the earnings.

One of the major tasks of the fall will be to arrange a smooth and harmonious wage-fixing for 1986. The chairman of the Federation of Trade Unions, Stig Malm, has requested discussions with the government and the employers before deciding upon wage demands.

Stig Malm wants a combination of wage increases and lower taxes in order by this means to achieve flexible wage negotiations which will not undermine the competitiveness of Sweden nor cause any fighting among the various wage-earner organizations.

Unchanged Pressure

Neither Olof Palme nor Kjell-Olof Feldt have so far been able to promise any rosy round of wage negotiations. Kjell-Olof Feldt has stated that if the collective bargaining goes awry, the government will have a busy time.

The objective of the Palme government is to maintain the total tax pressure at an unchanged level, but the increasing balance of current payments deficit constitutes a problem.

For this reason, Kjell-Olof Feldt has not been able during the election campaign to promise to leave the value-added tax unchanged longer than till Christmas. After the turn of the year it may become necessary to reduce the purchasing power in order to reduce the private consumption and keep down imports.

Important Choice of Policy

Neither the Communist Left Party nor any of the nonsocialist parties are prepared to accept any increase in the VAT. The Communist Left Party wants to resort to taxes which hit higher income groups or property owners, whereas the nonsocialist parties jointly prescribe retrenchments.

An increase in the balance of current payments deficit in the course of the next few months may, therefore, rapidly force the Social Democratic government to choose its line in the economy policy area. An increase of the VAT will lead to conflict both with the nonsocialist parties and with the Communist Left Party.

From 1987 it will be a protection against inflation in the state tax rate. The government has not revealed how this protection will be worked out. On the other hand, it is already clear that the nonsocialist parties will require an automatic guard against inflation with the inflation 12 months before as point of departure.

The Palme government probably prefers to make adjustments in the state tax rate according to the distribution policy basis of taxation instead of slavishly following price trends.

This means that special attention will be paid to the problems of the lower income groups and that high income groups will not receive the large tax reductions in terms of kroner as provided by the automatic index protection.

Social Democrats and Center Party Agree

For the Center Party, the most important thing is to eliminate the differences in municipal taxes between affluent and poor municipalities. In the case of an income of 80,000 kroner, the difference is approximately 7,000 kroner in taxes between a person living in a municipality with a low tax rate and a municipality with a high tax rate. Here it is possible that the Social Democrats and the Center Party may reach some form of agreement.

Later on in the term of office there will be proposals to expand the child care system. All children above the age of 18 months will as of 1991 be included under the child care system. At the same time, parent insurance will be expanded at the rate rendered possible by the economy. In the area of family policy, the Social Democrats have, furthermore, promised to abolish differentiated child care fees in the case of long-term child care arrangements.

Cheaper Without Lead

Reducing air pollution as well as acidification of fields and water are the most important environmental policy measures.

The Social Democrats' objective is for all automobiles to be provided with so-called catalytic emission-control devices toward the end of the election period. In the case of new car models, catalytic emission-control should be introduced earlier and lead-free gasoline will be subject to a tax discount.

It is the objective in 5 years to reduce by 50 percent the use of pest and insect control in agriculture.

Environment Party Gains Locally

Stockholm DAGENS NYHETER in Swedish 17 Sep 85 p 11

[Article by Bjorn Jerkert]

[Excerpt] Next to the Liberal Party, the Environment Party became the big victor in the municipal elections. The Environment Party got an additional 65 representatives and will be in control of the balance in several large municipalities, among them Uppsala and Vaxjo.

There will be quite a good deal of change of power in the municipal councils this year. The nonsocialist parties will be taking back part of what they lost in 1982.

Things have not been going too well for the Christian Democratic Party in the municipal elections. The party has been losing ground and now has representatives in 146 municipalities as against 181 previously. In the party's strongest fortress, Jonkoping, the party remained unchanged in the elections this year, and in that entire county the Christian Democratic Party lost six representatives.

The entirely local parties, however, are becoming increasingly stronger. They now have 70 representatives in municipal councils, as against 66 previously.

In the municipal elections on the whole may be noted that the Social Democratic disputes in Norrbotten have not scared away too many voters. Incidentally, in Norrbotten, the big loser in the elections, the Center Party, has been gaining ground.

Sodertalje is one of the few municipalities where the Social Democrats are increasing their strength. However, the Liberal Party is making the largest gains there. It is Bengt Westerberg's hometown. They increased from three to eleven seats.

7262
CSO: 3650/355

POLITICAL

SWEDEN

BILDT REPLIES TO CHARGES CONSERVATIVES BACKED PERSHING'S

Book: Conservatives Support NATO

Stockholm SVENSKA DAGBLADET in Swedish 16 Aug 85 p 6

[Text] The Conservatives are betraying the policy of neutrality and pursuing a secret foreign policy in close cooperation with NATO. This serious charge is made by Sven Ove Hansson (Social Democrat) in a recently-published book entitled "To the Right of Neutrality."

Sven Ove Hansson, who describes himself as a "Social Democratic helper in the election campaign," based his attack on documents from the international conservative organizations EDU [European Democratic Union] and IDU [International Democratic Union]. A great many prominent Swedish Conservatives have taken part in the meetings and conferences held by these organizations.

Sven Ove Hansson said that Ulf Adelsohn and Carl Bildt unconditionally supported and helped to draw up documents backing the deployment of NATO cruise missiles, for example.

Policy Friendly to NATO

"I was shocked when I read the documents," said Sven Ove Hansson. "The Conservatives are pursuing a policy friendly to NATO in these international organizations but they are keeping quiet about it here in Sweden."

The expression "double message" should obviously be resurrected in the Swedish political debate. The last time the expression was used was in the so-called Ferm affair. It was applied then to the Social Democrats' possible secret relationship with the Soviet Union.

In the book the author says that the Conservative demarcation line against right-wing extremists is crumbling.

Milder Form of Extremism

"The kind of right-wing extremism that marches in wearing leather boots and brown shirts has little chance of gaining support in Sweden. Therefore the

anti-democratic message is usually presented in considerably milder tones. This does not make it less dangerous, however, just more deceptive. Right-wing extremism will not succeed by openly waving a banner bearing a swastika but by moving close to respected groups and implanting in them its ideas about the weakness of democracy," wrote Sven Ove Hansson.

Acknowledging Nuclear Weapons

According to Sven Ove Hansson the "worst document" is a security policy program that was approved by EDU, the European Democratic Union, on 2 July 1982.

The author says the document was drawn up by a task force that included Carl Bildt, Anders Bjorck and Goran Lennmarker as representatives of Sweden. The program was then approved by EDU's fifth party leader conference in Paris. Ulf Adelsohn, Lars Tobisson, Georg Danell and Goran Lennmarker attended the meeting.

Item 11 read: "Nuclear weapons have been invented and we cannot reverse that invention now. We believe the best hope for the future lies in a realistic acknowledgment of their existence."

Missiles Supported

Item 14: "We contend that the biggest threat to peace lies in the mounting military imbalance between East and West and we support the restoration of that balance. Therefore we support successful results from the Geneva negotiations."

Item 14 went on to say: "In the absence of an agreement in Geneva we support the introduction of cruise missiles and Pershing II ballistic missiles in Western Europe in 1983 in line with NATO's dual decision of December 1979. We also welcome the proposals President Reagan presented at NATO's summit meeting in June 1982."

Finnish Reservation

The Finnish Conservative Party, Kansallinen Kokoomus, evidently felt that the document was irreconcilable with Finland's neutrality policy to the extent that the Finns prepared a written reservation. This was not the case as far as the Swedish Conservative Party was concerned.

The Finnish reservation said: "The party does not feel that the introduction of new weapons systems in Europe, the buildup of nuclear weapons or the doctrine of limited nuclear war are apt to increase security in Europe. On the contrary these ideas can be dangerous, especially for the small countries on our continent."

Increased Military Investment

Another EDU document from 1983 repeated the demand for increased military investments in European NATO countries. Swedish Conservatives supported this document, the Finnish Conservatives made reservations.

On 24 June 1983 Ulf Adelsohn took part in a meeting in London for conservative leaders. The conservative International Democratic Union, IDU, was formed at that time. An EDU document from the meeting, prepared by Anders Bjorck, among others, stated:

"The decisive question for our foreign policy and security policy is whether we will be able to deter the threat of war without risking our freedom. EDU is convinced that this is only possible through actively pursuing a policy in alliance with the United States and Canada that will safeguard peace. Europe and the United States are cornerstones in the West's political and economic system and the Euro-American alliance is a guarantee of peace. Therefore all possible steps must be taken to prevent deliberate anti-Americanism, which is supported by the Soviet Union, from undermining the partnership between Europe and America."

Reservation Called For

"If Ulf Adelsohn really supported Sweden's neutrality policy he should have made strong reservations. But he did not make any objections at all," said Sven Ove Hansson.

Sven Ove Hansson said that these documents deviate from the Swedish neutrality policy established by parliament.

"How could a future Conservative prime minister credibly represent Sweden's neutrality policy when he supports this kind of thing outside the borders of our country and keeps quiet about it here at home?" Sven Ove Hansson wondered.

Hansson now works in the Social Democratic information division and published the book, "SAF [Swedish Employers' Confederation] and Politics" in 1984.

Bildt, Adelsohn Reply

Stockholm SVENSKA DAGBLADET in Swedish 16 Aug 85 p 6

[Article by Willy Silberstein]

[Text] Conservative leader Ulf Adelsohn denied that he had secretly supported NATO missile deployment in Europe.

"This is an attempt by the Social Democrats to stir up controversy over foreign policy a few weeks before the election," he said.

On Thursday Tidens Forlag published Sven Ove Hansson's book, "To the Right of Neutrality." The author has read documents from the international conservative organizations, IDU and EDU.

Conservative Party security policy expert Carl Bildt told SVENSKA DAGBLADET that this is "an unusually cheap shot" on the part of the Social Democrats.

"Hansson has not come up with any secret documents, as he claims, but with 3-year-old press releases that have always been available to the public."

Made Reservations

According to Carl Bildt Swedish Conservatives always made reservations when military issues were discussed by IDU and EDU. He referred to a paragraph from the minutes of an EDU meeting on 2 July 1982 when the security policy program was written. The paragraph is quoted in Hansson's book.

It says that a real balance of forces in Europe is a vital basic condition for its very existence. "However if nations are neutral they are prevented from influencing the technical details of this balance, the development of various weapons systems and the commitments involved in membership in the different treaty systems."

"This means that we neutral states gave notice that we cannot take a stand on military issues," Carl Bildt said.

According to Bildt the same thing is true of other military matters on which an international stand has been taken.

"The Finns made a special reservation because they directly oppose a NATO line while we do not take a stand on that."

Same View

According to Bildt the Conservatives and the Social Democrats hold the same view of neutrality.

"At least we agreed on our view of neutrality on the Defense Policy Committee."

Ulf Adelsohn said that he has always been content to voice reservations in EDU and IDU against decisions that are incompatible with Swedish neutrality.

On Thursday Goran Lennmarker, Conservative international secretary, showed SVENSKA DAGBLADET excerpts from several IDU and EDU minutes. The minutes from the 1982 London meeting showed support for Pershing II by the NATO countries. The next section said: "European nations that are neutral contribute

to security by making it clear that they are ready and able to defend their territory," and EDU cited Soviet submarine incursions into Swedish waters as an example.

The document from the meeting in Washington last summer has several sections that concern NATO policy. A separate section stated that party leaders at the meeting stressed the point that neutral states can play an important role in international stability.

"This point was made by Ulf Adelsohn," said Goran Lennmarker. "We never express an opinion on matters that concern NATO, that is the job of NATO members. Instead we talk about what the neutral states can do to stress their neutrality.

"Since we formed IDU the Social Democrats have waged a constant negative campaign against us. They are annoyed because our organization plays a more important part than the Socialist International due to the fact that we are larger and have more important members," said Lennmarker.

Member of parliament Anders Bjorck, who has attended IDU and EDU meetings, also assured us that he has made reservations.

"I have done so at every meeting. Since Sweden is not a member of NATO we have no reason to express our views on NATO matters," he said.

6578

CSO: 3650/334

MILITARY

DENMARK

BRIEFS

ENGELL DISCOUNTS 'DEFENSIVE MILITARY'--The proposal from some members of the Social Democratic Party, the Socialist People's Party and the peace movement concerning the establishment of a so-called defensive military organization is complete nonsense, according to Defense Minister Hans Engell. "In the last defense agreement the parties supporting the agreement approved the basic military structure we have had in recent years. I feel satisfied by that while at the same time I have followed with perplexity the debate on a defensive military organization that is based primarily on a greater emphasis on short-range coastal weapons systems and a general reduction in the defense budget," Hans Engell (Conservative) said on Sunday. He was speaking to a Conservative summer meeting in the Mariager district. [Text] [Copenhagen BERLINGSKE TIDENDE in Danish 9 Sep 85 p 3] 6578

CSO: 3613/199

MILITARY

FINLAND

LARGE-SCALE AIR DEFENSE EXERCISE IN SOUTHWEST OF COUNTRY

Helsinki HELSINGIN SANOMAT in Finnish 20 Aug 85 p 6

[Article: "Jet Planes Whistle Through Skies of Southwest Finland"]

[Text] A couple of thousand men practice air defense.

Turku (HS)—A big air defense exercise is in progress this week in Southwest Finland. The exercise is also visible on the ground in addition to the jet planes whistling through the air. For the duration of the military exercise two roads are closed to traffic for use as fighter plane landing strips. The guards only let express runs through the roadblocks.

The air defense exercise conducted by the Satakunta Flight got started for the first crews as early as last Friday. Twenty-five hundred men are taking part in it, a couple of thousand of them reservists.

"This is the biggest flight exercise of the year for the reservists," said Satakunta Flight commander Col Heikki Nikunen. The last similar exercise in the area was in 1981.

"The purpose of the exercise is to train the crews participating in it in the different air defense tasks. Reservist radar and sensory guidance units carry out air surveillance throughout the area.

"Fighter plane and antiaircraft units located at different bases carry out identification and defense tasks," Colonel Nikunen summed up the nature of the exercise.

That is, target planes attack different parts of Southwest Finland from Pirkkala Airfield and the emergency landing strip at Niinisalo. The fighter planes located at Turku Airport and the emergency landing strip at Virttaa in turn fight off the attackers.

About 30 planes are participating in the exercise and up until Thursday Drakens, Mig-21's and Hawks thundered over the area day and night.

On Sunday, when flight activities proper began, they blocked off the roads preempted as emergency landing strips.

Main road 41 running from Turku to Tampere has been blocked off for the duration of the military exercise at Virttaa near Alastaro and at Niinisalo on the Kankaanpaa-Parkano road.

Drivers Surprised

At least on Monday the guards had enough to do advising drivers at Virttaa when they stopped, surprised at the busy road's being blocked off. The detour via Vampula bypassing the emergency landing strip adds to the trip, another one like it more so.

At Virttaa there is a wide section several kilometers long previously built into the Turku-Tampere road for use as an emergency landing strip for planes.

During the military exercises the area has its own flight command and fighter planes are stationed in concealment in the shade of the woods.

Capt Esa Rinne, who directs the training of the reservists at Virttaa, praised the reservists' enthusiasm and the good weather.

The reservists too were satisfied with the good weather, but they openly complained about having to wear Army rubber boots as hot weather footgear.

Only Turku-Tampere express runs sped along the emergency landing strip through the exercise area between fighter plane takeoffs and landings. There are about 10 express runs a day and they do not have take the detour.

"We try to cause as few disturbances as possible to the ordinary progress of life, but an operation like this does not go quite unnoticed," Rinne said as a military plane roared down onto the highway.

Another 1,100-man review exercise began on Monday in the Rauma and Pori area. Among the other troops participating in it are those of the Turku Coastal Artillery Regiment and the Aland Sea Coast Guard. About 550 reservists are participating in it.

The exercise will continue this week and planes of the air defense exercise will at the same time also participate in this military exercise. In the coastal defense exercise they are concentrating on naval reconnaissance and troop leadership as well as combined operations on the coast.

Key: 1) Emergency landing strips



11466

CSO: 3617/159

MILITARY

NETHERLANDS

CIVIL DEFENSE SHELTERS LACKING FOR MOST OF POPULATION

Amsterdam DE TELEGRAAF in Dutch 27 Aug 85 p 6

[Report by Theo Jongedijk: "The Netherlands Has Too Few Shelters; Room for only Two Percent of Population"]

[Text] The Hague, Tuesday--The public shelter opportunities in our country offer space to only 2.3 percent of the population in times of need.

An investigation by the fire department administration of the Ministry of Home Affairs points out that in a war situation 335,000 of the over 14 million Netherlands can find a "safe" shelter.

In the province of Drenthe, the North-East Polder and Flevoland [polder] not one public shelter exists.

The province of Limburg, on the other hand, is the best equipped with a shelter capacity of 5.6 percent. In the Randstad [Western urban areas], the most densely populated area of our country, there is space for 138,000 people. There, the municipality of Rotterdam is able (thanks to the metro) to safeguard the greatest number of people, namely 9 percent, and The Hague and Amsterdam 8.3 and 5.3 percent, respectively, of their inhabitants.

According to spokesman Tuts of the Ministry of Home Affairs, public shelters often involve underground parking areas and (office) basements which have undergone a number of special adaptations.

He states emphatically that these accommodations are not nuclear shelters. "Reality forces us to state that our public shelters are not able to stand up against a direct nuclear attack. They do offer protection in case of an attack with conventional weapons or in case of a limited nuclear attack on tactical targets, such as an air force base located outside of the built-up area."

Subsidy

Municipalities in our country can decide themselves whether to construct a shelter or not. "The government advises to adapt appropriate areas for this purpose and it will also subsidize similar activities," according to the spokesman of Home Affairs.

Mr J.W. Kok, cabinet chief of the province of Drenthe (which has no shelter whatsoever): "There simply is no money to build shelters for the entire population. And Drenthe doesn't believe too much in a provision for only a very small percentage. For what effect would that have?"

8700

CSO: 3614/134

MILITARY

SWEDEN

BOOK CHARGES NATO INSTALLATIONS IN NORWAY THREAT TO SWEDEN

Stockholm DAGENS NYHETER in Swedish 25 Aug 85 p 6

[Review by Maria Bergom-Larsson of the book "Bombemalet Norge. Atomstrategi, ytringsfrihet og razzia" [Bombing target Norway. Nuclear strategy, freedom of expression and raid], edited by Jorgen Johansen, FMK's peace policy publications, Norway: "Norwegian NATO Facilities Threaten Sweden's Security"]

[Text] NATO installations in northern Norway constitute a serious threat to Swedish security in the event of war. They are obviously offensive in character, writes Maria Bergom-Larsson, and therefore are also natural targets for potential Soviet attacks.

On 13 October 1983, just before 7 am, the Norwegian police in a coordinated action moved against the Oslo newspaper IKKEVOLD of the peace organization Popular Uprising Against War (FMK) and the private homes of the members of the editorial staff all over the country.

More than 50 policemen participated in the raid and large amounts of material were confiscated, among them FMK's membership records and IKKEVOLD's subscriber archives, as well as other address lists for the peace and environmental movement. These were returned the following day to the editorial office, after the police had copied them by "mistake."

The police raid was triggered by the fact that IKKEVOLD in three issues had published articles about secret NATO installations in Norway. The trial of the editors was concluded at the end of May. Ivar Johansen was given the most severe sentence, 9 months in prison and a 10,000 kronor fine for court costs. The other members of the editorial staff received short suspended prison sentences.

On 14 May one could read about the IKKEVOLD trial in DAGENS NYHETER under the headline "Norwegian Espionage Trial." Now, anyone wishing to penetrate behind this cold war hysteria can find out for himself what kind of espionage the editors were guilty of by sending for the extremely interesting book "Bombemalet Norge. Atomstrategi, ytringsfrihet og razzia" [Bombing target Norway. Nuclear strategy, freedom of expression and raid].

Protocol

By putting together public documents the articles in IKKEVOLD reveal a large number of secret NATO installations in Norway which have never been put before Parliament or other popularly elected bodies.

The intent behind the publication was obviously to initiate a public debate about Norwegian security policy. The sources used are protocols from U. S. congressional hearings, parliamentary documents, telephone directories, military publications and books, the local press and even the military's own press service, that is to say nothing but open sources accessible to anyone. To describe this as espionage is absurd acceptance of the military secretiveness.

The bizarre situation has occurred that the defense which the Western alliance has built up in order to protect its democracies against attack from the totalitarian Soviet Union has made the West increasingly like the system it was intended to protect against. Secretiveness, raids, limitations of the freedom of expression, decisive security policy decisions out of the democratic eye, are part of the strategy. When a group of citizens challenge this system, they are sentenced for espionage.

Offensive Policy

Norway's membership in NATO has two reservation clauses: No foreign bases must be located on Norwegian soil in peacetime and Norway may not accept nuclear weapons in peacetime. Today these reservations are in the process of becoming hollow.

During the second half of the seventies U. S. policy has acquired an increasingly offensive profile. One has begun to calculate with a so-called horizontal escalation, meaning that in a conflict with the Soviet Union in the Third World, for example the Persian Gulf, the United States can reply by striking a more vulnerable part of the Soviet Union, such as the northern fleet at the Kola peninsula, where about 70 percent of the Soviet strategic submarines are stationed. Thus, northern Norway and the Norwegian Sea have acquired an entirely new importance for the United States.

The first thing that strikes anyone reading "Bombing Target Norway" is the far-reaching integration of Norwegian and allied installations. Large amounts of money have been funnelled directly from the Pentagon in order to construct military facilities in Norway.

Many of the installations which IKKEVOLD has mapped out have a completely different task than to defend Norway. They are necessary as a link in the U. S. effort to achieve first-strike capability. They are therefore clearly offensive installations, and as such an imminent threat to the Soviet Union. This makes them priority bombing targets for Soviet nuclear weapons in a crisis or war situation. These facilities, according to IKKEVOLD, are not only unserviceable for defending Norway's population, they constitute a direct threat to its survival.

One example is the SOSUS facility at Andoya in northern Norway. The disclosure of Andoya is the central indictment count against IKKEVOLD in the trial now under way in Oslo.

Sonars

The SOSUS system is a chain of sonars placed on the bottom of the sea in order to locate Soviet submarines. It represents one of the most important elements of U. S. antisubmarine warfare. Today there are more than 22 SOSUS chains spread across the oceans of the world.

The SOSUS chain from Andoya has a particularly important location, since it is capable of registering all Soviet submarines leaving the base at Murmansk and passing the Norwegian Sea.

The precondition for the balance of terror has been that both superpowers have had weapon systems which guaranteed them the possibility of retribution if they are attacked. Submarines hidden on the ocean floor played a key role. As long as they really were able to hide in the oceans the situation was reasonably stable. But when the seas became transparent by means of modern electronics, the situation became threatening. The United States, which in this field is somewhat ahead of the Soviet Union, might get the idea that it could disarm the Soviets' retaliatory capability, including all the submarines, in one stroke. If, further, it has a defense minister who believes in the possibility of winning a limited nuclear war, the situation becomes downright perilous.

U. S. armaments on the northern flank of NATO are not limited, IKKEVOLD shows, to listening stations, emergency stockpiles of heavy military materiel, conversion of Norwegian air fields into advanced operational bases for U. S. fighter aircraft, according to the so-called COB agreement (Collocated Operational Base). The United States is also quietly in the process of placing 4,000 cruise missiles aboard submarines, surface ships and B 52's in the Norwegian Sea--comparable to the 464 in Western Europe which gave rise to so many protests.

Elevation Data Cards

These cruise missiles are programmed to pass over Swedish and Finnish territory. What is paradoxical is that neutral Sweden supplies the United States with data which enable the violation of Swedish territory.

Since 1980, according to IKKEVOLD, the Swedish Land Survey Agency in Gavle has sold so-called elevation data cards over the area north of the 66th latitude to the U. S. Defense Mapping Agency. With the help of the three-dimensional image of the terrain provided by the elevation data card, the cruise missiles can orient themselves over Sweden.

At the same time as we supply the Americans with necessary information in order for them to violate our neutrality, we are building the new JAS fighter

aircraft in order to shoot down the very same cruise missiles. Does the one hand know what the other is doing? Or do we intend only to shoot down cruise missiles from the East? I am trying, in the name of neutrality, to imagine that Sweden sells the same information to the Soviet Union; what a gigantic "incident" that would be!

The Norwegian ties with the U. S. nuclear strategy and the increased tension around northern Norway constitute a tremendous threat to Sweden. When will the Swedish peace movement begin to demonstrate outside the Embassy of Norway in order to put pressure on its Nordic neighbor to accept for instance a nuclear-free zone in the Nordic region?

11949

CSO: 3650/333

MILITARY

SWEDEN

MILITARY'S REQUEST FOR RESTRICTED AREA LARGELY APPROVED

Stockholm DAGENS NYHETER in Swedish 28 Aug 85 p 7

[Article by Mats Carlbom: "Military Rebuffed on Restricted Area"]

[Text] The military restricted area in the Torne valley will not be expanded as much as the military wants. Villages with many Finnish citizens will not become areas forbidden to foreigners. But even so, the restricted area in Norrbotten will be greatly enlarged.

The proposal to expand the military restricted area has been sharply criticized in Haparanda and Overtornea municipalities.

Both of them would largely become areas restricted to foreigners, despite the fact that one out five inhabitants in the region is a Finnish citizen.

"It is quite clear that the restricted area will become smaller than the first proposal," says Goran Staafgard, secretary of the study on protected access, to DAGENS NYHETER.

Too Late

"At the beginning of September we will go to Norrbotten in order to study in more detail what military interests there are for expanding the restricted area, after which we will work out a final proposal."

The panel on protected access was appointed in 1982 and should actually have presented its proposal for new restricted areas in the country in August this year. Now it will be a month or so late as a result of opposition in the Torne valley.

"We will try to avoid including villages with foreign citizens in the restricted areas," Goran Staafgard says. "It would be too difficult to handle for the authorities that are to issue exemptions."

"Also, there are other interests besides purely military ones which must be taken into account."

Difficult to Differentiate

In the government's directives to the panel it says that the possibilities should be investigated of exempting foreign citizens residing in the area from the ban on entering the restricted areas.

However, the study does not intend to submit such a proposal.

"It would be difficult to separate various groups of foreigners," Goran Staafgard says. "On the other hand the authorities might very well grant exemptions which are valid temporarily. These have the advantage that they can be cancelled if necessary."

In Haparanda the altered standpoint of the study is still not regarded as a victory.

"We do not find any reason to expand the restricted area at all up here," says Gunnar Rannestig, chairman of the municipal council in Haparanda.

Opening on Faro

"Expanding the military area up here only means that a lot of people will be disturbed. We have many Finnish citizens who reside in the municipality and even more who visit us."

"We will see what the new proposal looks like, but I find it difficult to conceive of any arguments which might make us want to compromise," Gunnar Rannestig says.

The study will also propose that central and northern Faro near Gotland will be opened to foreign citizens after previously having been a military restricted area. The same applies to Kymmendo and Orno, among others, in the Stockholm archipelago.

New restricted areas are proposed around Holmogadd in Vasterbotten and at the mouth of Braviken in Ostergotland.

The study is expected to be concluded at the end of October-beginning of November.

11949

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MILITARY

SWEDEN

COLUMNIST DISCERNS LESS HEATED SECURITY POLICY DEBATE

Stockholm DAGENS NYHETER in Swedish 23 Aug 85 p 8

[Commentary by Sven Svensson: "Detente in the Security Debate"]

[Text] In the last 6 months a tangible detente has taken place between Social Democrats and Conservatives regarding the security policy. Although the Conservatives have backed down, this truce is founded primarily on several Social Democratic retreats," writes DAGENS NYHETER's political commentator Sven Svensson.

The Social Democrats and the Conservatives have agreed to a truce regarding the Swedish security policy, at least until after the election. The truce was accomplished by the fact that the ruling Social Democrats effected a complete turnaround and approved the Swedish fighter aircraft JAS. At the same time the Conservatives ceased to accuse Olof Palme of spreading "double messages" to the Soviet Union on the submarine violations.

The at least temporary truce before the election is not affected by the Social Democratic pamphlet "Till hoger om neutraliteten" [To the right of neutrality].

This book deals with the Conservatives' actions in the conservative union EDU [expansion unknown] in the early 1980's, when the Conservatives acted as NATO representatives in Sweden.

The bottom line of the security policy debate in Sweden with all the "incidents" is that both Social Democrats and Conservatives believe they can act in an opportunistic manner while in opposition, but take responsibility for the nation's security in a government position.

Shaping the Swedish security policy will become an important issue during the upcoming three-year mandate period. A new five-year defense decision is to be taken by Parliament no later than the spring of 1987. It will have long-range significance for the direction of the Swedish security policy up to the year 2000, both as regards air defense and antisubmarine defense.

The security policy report presented in extensive agreement by the defense committee on Ascension Day forms the foundation for the new defense decision.

Conservatives' development

Events in 1980's security policy

Social Democrats' development

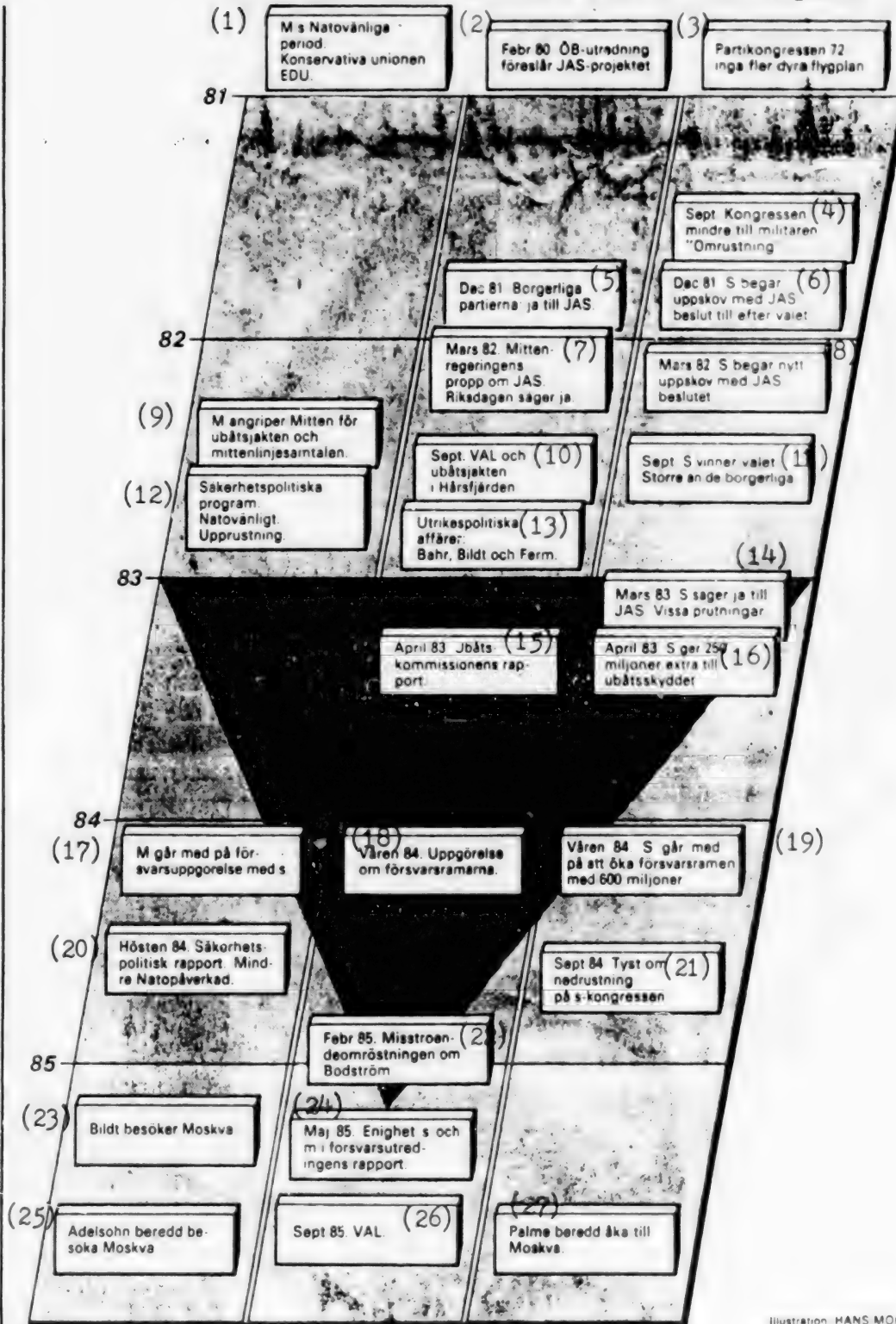


Illustration HANS MOLIN

[Key to previous page]

The arrow shows how after the 1982 election Conservatives and Social Democrats drew close on security policy. The Conservatives then became the largest non-socialist party and softened its criticism of the Social Democrats, while the Social Democrats after the election victory repeatedly backed off. Unity between the non-socialists on the one hand and the Social Democrats on the other culminates in the defense committee report in May this year.

1. The Conservatives' NATO-friendly period. The conservative union EDU.
2. Feb 80. Supreme commander's study proposes the JAS project.
3. 1972 party congress: no more expensive aircraft.
4. September congress: less to the military, "reorganization of armaments."
5. Dec 81. Non-socialist parties: yes to JAS.
6. Dec 81. Social Democrats demand postponement of JAS decision.
7. March 82. Center government's bottleneck on JAS. Parliament says yes.
8. March 82. Social Democrats demand new postponement of JAS decision.
9. Conservatives attack center for sub hunting and boundary line talks.
10. Sep. Election and submarine hunting in Harsfjarden.
11. Sep. Social Democrats win the election. Majority over non-socialists.
12. Security policy program. NATO-friendly. Rearmament.
13. Foreign policy incidents: Bahr, Bildt and Ferm.
14. March 83. Social Democrats approve JAS. Some concessions.
15. April 83. Submarine commission's report.
16. April 83. Social Democrats give 250 million more to antisub defense.
17. Conservatives consent to defense agreement with the Social Democrats.
18. Spring 84. Agreement regarding defense frameworks.
19. Spring 84. Social Democrats agree to increase defense framework by 600 million.
20. Fall 84. Security policy report. Less NATO-influenced.
21. Sep 84. Silence on disarmament at the Social Democratic congress.
22. Feb 85. No-confidence vote over Bodstrom.
23. Bildt visits Moscow.
24. May 85. Agreement between Social Democrats and Conservatives on defense committee's report.
25. Adelson prepared to visit Moscow.
26. Sep 85. Election.
27. Palme prepared to visit Moscow.

The report concludes that Sweden's security policy situation has become more exposed through the military-strategic development and increased interest of the major powers in the North Atlantic and the Baltic Sea.

The risk that Sweden will be drawn into a major European war from the very beginning has therefore increased, partly due to the extended range of the aircraft of the superpowers as well as to the introduction of cruise missiles and missiles of various kinds.

Security policy played a major role in the 1982 election campaign because the Conservatives in opposition attacked the Falldin-Ullsten center government for its antisubmarine defense and negotiations about the boundary line in the Baltic Sea with the Soviet Union.

In the final phase of the election campaign the Conservatives presented a security policy program, "Fred och frihet i Europa" [Peace and freedom in Europe], which was marked by NATO viewpoints. Armament has never led to war, was one leading theme. Another conclusion was that no peace was possible until Eastern Europe has been liberated.

After the Social Democrats came to power in the fall of 1982 one foreign policy incident succeeded the other. First came the Bahrain affair about the Palme commission's nuclear-free corridor in Central Europe, then the incident of Bildt's contacts with the Pentagon after the submarine commission report, the Ferm incident with Palme's alleged "double message" about the submarine incursions and finally the no-confidence vote in Parliament in February over Foreign Minister Lennart Bodstrom and the well-known DAGENS NYHETER dinner, at which the foreign minister made fuzzy statements about the submarine violations.

The foreign policy "incidents" trace their emotional background to Olof Palme's sharp criticism, at one time, of the U. S. conduct of the war in Vietnam and to the fact that the Conservatives traditionally consider themselves called upon to direct the Swedish defense and security policy.

Over the last 6 months a tangible detente has developed between the Social Democrats and Conservatives. The Conservatives have presented a new security policy report, "Var sakerhet" [Our security], which is more differentiated and less NATO influenced. There is also agreement regarding the direction of the Swedish security policy and, furthermore, Conservative security policy expert Carl Bildt has visited Moscow.

Although the Conservatives have backed down from several of their violent verbal attacks in particular on Olof Palme personally, the fragile truce is founded primarily on the Social Democrats having retreated several times on important factual security policy issues. The aggravated situation in the Baltic Sea and in the Nordic countries in general have resulted in the gradual loss of influence by the traditional Social Democratic disarmament phalanx.

In 1972 the present Disarmament Ambassador Maj-Britt Theorin got the Social Democratic party congress to agree to a decision that Sweden should not invest in any more expensive aircraft projects after Viggen.

At the 1981 party congress the security-political buzz word was "armament redistribution," which meant less money to the military defense and more to the civilian. The peace movement had left its mark on the arguments.

To neutral Sweden the availability of military aircraft capable of monitoring primarily the Baltic Sea and repulse violations is of major security-political significance. The acquisition of a new Swedish fighter, which is to replace

Viggen in the 1990's, therefore played a major role in the security policy debate.

After turns and twists it fell to the Liberal government in the spring of 1979 to scrap the plans for the B3LA light attack aircraft.

This decision led to gunfire from the right and applause from the Social Democrats. Conservative leader Gosta Bohman described the decision to cancel the aircraft as "insanity."

It was lucky that the Conservatives did not get their way. The B3LA would not have had sufficient performance characteristics in order to shoot down missiles. This is even more valid for the Center proposal for "Aslingen."

At the same time as the decision to cancel the B3LA project, the supreme commander was given the task of studying the possibilities for a future new aircraft system for pursuit, attack and reconnaissance.

In February 1980 the supreme commander had arrived at his conclusion: Composite materials make it possible to manufacture lighter and cheaper aircraft with sufficient performance characteristics to fulfill Sweden's security-political requirements. The JAS project was quietly born. To the Social Democrats the birth was the beginning of a long story of suffering, the result of which was to say no while in opposition and yes when in power.

In December 1981 the non-socialist members of the defense committee concluded that the JAS aircraft would help maintain the confidence and respect of the rest of the world in Sweden's security policy. The Social Democrats urged postponement of the decision until after the 1982 elections because of the internal party split.

The center government's defense bill, with proposals for building the JAS at a cost of 25.7 billion up to 2000, came in March 1982. The Social Democrats again tried to postpone it with their demands in committee deliberations for a special aircraft commission.

Voting in chamber on the decision, the non-socialist members and two Social Democrats from Linkoping, Lars Henriksson and Marie Lagergren, voted in favor of the defense bill and the JAS aircraft. In the parliamentary debate Olof Palme maintained that the JAS project would be at least 4 billion too expensive.

"Today we must bury the unity around the Swedish security policy," Olof Palme said.

The Social Democrats had imposed seven conditions for realizing the JAS while in power, and in the government declaration of October 1982 they promised a review. The result was that the Social Democratic administration proposed to Parliament that it should pass the JAS with a cutback in the total framework by 800 million to 24.9 billion up to the year 2000.

The Palme administration came to power in the fall of 1982 in the midst of the dramatic submarine hunt in Harsfjarden. The submarine commission, which indicated the Soviet Union as responsible for the violations, presented its memorandum in April 1983. This led to the fact that 250 additional millions were allocated for the expansion of antisubmarine warfare.

The 1983 budget proposal signified that the valid five-year defense decision had been torn up in certain areas. In their calculations the Conservatives believed that the military would be robbed of one billion annually over the five-year period.

During 1984 the Swedish defense was on the verge of going bankrupt due to the high dollar exchange rate. After lengthy and difficult party leader negotiations, the Social Democratic government agreed in the spring of 1984 to increase the defense framework by 600 million a year.

The agreement was a major retreat for the Social Democrats. Conservative leader Ulf Adelsohn had to gamble all of his prestige in order to get the Conservatives to approve the agreement.

Security policy played an important part at the Social Democratic party congress in the fall of 1984. For the first time in a long time the Social Democratic disarmament phalanx found little response.

Prime Minister Olof Palme delivered a forceful and universally acclaimed introductory speech. He concluded that the submarine violations increase the demands on the Swedish policy of neutrality, which must be hallmarked by inflexibility.

"We must be able to repulse whoever violates our air space or our waters," Olof Palme lectured. "And our defense must have such force that anyone planning an attack in peacetime will think twice and realize the risks inherent in such a venture."

Olof Palme added that Sweden must not be afraid to uphold its national interests in the form of exchanges of opinion with the Soviet Union. If the Social Democrats win the election, it is to be expected that Olof Palme quite soon will travel to Moscow in order to discuss the submarine violations on the spot.

The same applies if Ulf Adelsohn takes up residence at Rosenbad after the election. A refusal to visit the Soviet Union would then be perceived as a clear demonstration against the Soviet Union and as a new deep freeze of Swedish-Soviet relations. The exchange of visitors with the Soviet Union is a settled issue, since Carl Bildt has already visited the place.

The present truce may be temporary, however, for reasons of election-technical calculations. The defense committee continues its work and will soon submit proposals for the aim and shape of the defense for the 1987-1992 five-year period.

The unanimous conclusion of the security policy report that Sweden's situation has become more exposed as a result of the tension in the North Atlantic region and in the Baltic logically leads to demands for increased defense allocations or redistributions within present frameworks in order to make the Swedish defense more deterrent to attackers.

Then it is no longer certain that the present truce will hold. The Conservatives have a principle of always urging bigger defense appropriations than other parties, while the Social Democrats have great difficulty accepting higher defense appropriations at the same time as the red pencil is active in the social area. If the submarine incursions taper off, it is likely that the Social Democratic disarmament group once again will put great pressure on the party leadership.

11949

CSO: 3650/333

MILITARY

SWEDEN

ARMS EXPORT BAN FOR SINGAPORE MAY HARM FOREIGN ARMS SALES

Stockholm DAGENS NYHETER in Swedish 21 Aug 85 p 6

[Article by Bo G. Andersson: "After the Government's Ban on Arms; Bofors Exports Affected"]

[Text] The government's temporary halt to all Swedish weapons exports to Singapore jeopardizes Bofors's opportunities for achieving success in the export markets. That is what the Karlskoga company maintains.

"The government's decision obviously disturbs our customer contacts with Singapore," Bofors information chief Per Mossberg says to DAGENS NYHETER.

"The international weapons market is very tough and we have many competitors who are fighting for our market shares. Singapore is an important customer and the loss of it will therefore be significant."

Per Mossberg confirms that at present Bofors has submitted several license applications regarding Singapore to the government. These have now been "frozen" while awaiting conclusion of the police investigation into the Bofors missile deals with Dubai and Bahrein. That is not likely to take place until late fall or this winter. Until then no new export permits to Singapore will be granted, according to the Foreign Ministry.

Delayed

Bofors is Sweden's largest munitions manufacturer and exporter. The company normally submits its export applications 3-4 months before planned deliveries. This means that it is already evident that the government's licensing ban will delay deliveries to the customers in Singapore.

The export of defense materiel by Bofors and other Swedish weapons manufacturers is considered necessary in order to secure the supply of weapons and ammunition to the Swedish defense forces and in order to maintain a high technological level within the country.

During the period 1980-84 Singapore was the next largest customer nation for Swedish munitions. Singapore purchased goods for a total of 674 million kronor. This included, among other things, the Robot 70 antiaircraft missile system and cannon from Bofors, radar systems from Ericsson and the Carl Gustaf antitank rifle from FFV [Swedish National Industries Corp.].

Weapons Foundry

Exactly how much Bofors sells to Singapore is kept secret, but much indicates that the company represents the lion's share of the Swedish exports. Bofors also has major financial interests in several Singapore weapons companies. Further, one of the company's anti-aircraft guns is assembled in Singapore.

The country is the weapons foundry for all of southeast Asia. The defense forces have been extensively equipped in recent years, but even so many people have been surprised at the relatively large volume of imports of weapons and ammunition. There has long been speculation whether the country is not a "transshipment point" for munitions.

The National Criminal Police now believe it has proof that Bofors's Robot -70 anti-aircraft missile can be found in the nations of Dubai and Bahrain on the Persian Gulf, which are prohibited for Swedish weapons export. According to the Criminal Police the missiles ended up there via Singapore.

On Monday Bofors information chief Per Mossberg did not want to comment on this information.

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MILITARY

SWEDEN

REPORT SHOWS NATO AIR FORCES BEHIND MOST SPACE VIOLATIONS

Stockholm DAGENS NYHETER in Swedish 4 Sep 85 p 6

[Article by Wolfgang Hansson]

[Text] Swedish air space has been violated 270 times since 1979. Warsaw Pact lands were responsible for the violations in only about 30 cases. The rest were committed by NATO countries.

The defense staff feels that there are reasons why NATO dominates the statistics so heavily.

"There are a lot more NATO planes flying in the vicinity of Sweden," said chief press officer Borje Johansson. "Many are primarily engaged in signal reconnaissance and over the Baltic they can keep an eye on Sweden and the eastern countries. NATO also carries out maneuvers over the Baltic Sea.

"A majority of the cases involve very brief violations on the edge of Swedish air space. No one NATO country is responsible for a majority of these violations.

Each Violation Serious

"Each violation is a serious matter in itself," Borje Johansson said. "But of course there is a difference between a foreign plane that follows a civilian airplane into Swedish air space and a plane that changes course voluntarily when the crew discovers its mistake."

Is it possible that NATO planes do not take violating Swedish air space very seriously since Sweden is regarded as western-oriented?

"I certainly hope that is not the case. We regard violations from either side as being equally serious."

It is impossible to say how many of the violations are deliberate, according to the defense staff. That is a matter of interpretation from one case to the next.

"Most of them are probably accidental," said Bertil Jobeus, chief press officer for the Foreign Ministry. "In the few cases where the violations have been of a serious nature Sweden has protested formally."

Apology

Normally Sweden reports the violation to the embassy of the country responsible. This usually results in an expression of regret and an apology from the country in question. In some cases--such as the Soviet violation DAGENS NYHETER reported yesterday--the country refuses to acknowledge the incident. According to the Foreign Ministry it is harder to get a reply when the incident involves Warsaw Pact countries.

Swedish fighters often take off several times a day to show foreign airplanes that they are dangerously close to Swedish air space. They also escort foreign planes out of our air space at times.

The area with the most violations is the water off southern Skane where NATO holds maneuvers. Violations are also common around Gotland, along the Blekinge coast and off the west coast of Sweden.

Swedish Planes

Foreign planes also come into Swedish air space in Bottenviken and along the Swedish-Norwegian border.

Sweden is also guilty of violating the air space of foreign powers from time to time. In almost all these cases Swedish planes violated the air space of Finland, Norway or Denmark. In 1981 Sweden violated foreign air space three times, in 1982 12 times and in 1983 three times.




















Sweden normally maintains that navigation errors are the cause of the violations.


"We are now turning supplementary material over to the embassy to convince the Soviet Union if possible that our charges are correct. This material was provided by the armed forces."

That is what Foreign Minister Lennart Bodstrom said Tuesday would be the next Swedish step in the case of the Soviet airplane violation over Gotland at the end of June.

According to the Foreign Ministry's press officer, Bertil Jobeus, "Sweden expects that the Soviet Union will then admit that the violation occurred."

But as late as Tuesday Lennart Bodstrom said that "it remains to be seen" whether the Soviet Union will acknowledge the violation despite the new Swedish material.

NATO		WARSZAWAPAKTEN (1)
1979	        66	 11
1980	(2) Totalt 50 (Huvuddelen NATO) (3)	
1981	(2) Totalt 49 (Huvuddelen NATO) (3)	
1982	   25	3
1983	   25	3
1984	  14	 7
1985	 12	1

 (4)
=10
kränkningar

NATO planes are responsible for most of the violations of Swedish air space. Of 13 violations so far this year 12 were committed by NATO planes and 1 by Warsaw Pact planes.

Key:

- | | |
|----------------|------------------------------------|
| 1. Warsaw Pact | 3. Mostly NATO violations |
| 2. Total | 4. Symbol represents 10 violations |

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CSO: 3650/340

MILITARY

SWEDEN

BOFORS CHARGED WITH VIOLATING LAW IN THAILAND ARTILLERY SALES

Company Issues Communique

Stockholm DAGENS NYHETER in Swedish 6 Sep 85 p 6

[Article by Bo G. Andersson]

[Text] In the fall of 1980 Bofors smuggled 22 anti-aircraft guns into Thailand via Singapore. To conceal the deal from the Swedish government, the sale was handled by a company in Singapore that is jointly owned by the Republic of Singapore and Bofors.

This charge was made Thursday by the Swedish Peace and Arbitration Society in a new report on alleged cases of Swedish arms smuggling.

This particular charge against the Karlskoga Company involves 40-mm anti-aircraft guns of the L/70 type. This is an older type of ordinance that is primarily used against slow-moving targets such as helicopters.

Bofors is said to have bought back the 22 L/70 guns from the Defense Materiel Command (FMV) after they had been used for a long period of time by the army.

Final Customer

According to the society the war materiel was then sold to the Singapore company Alliance Ordinance of Singapore (AOS) for around 40 million kronor. Bofors owns 40 percent of the shares in the company and the rest are owned by the Republic of Singapore.

On paper, in other words, the deal looked like a transaction between Sweden and Singapore. Thus the Swedish government gave Bofors permission to ship the guns to Singapore. The Singapore Defense Ministry is also said to have signed a so-called final customer certificate in which the ministry promised not to re-export the anti-aircraft guns to any other country.

But in reality--the Swedish peace group now maintains--Bofors knew all along that Thailand was the final customer. Handling the deal via Singapore was just an attempt to mislead the Swedish government and the War Materiel Inspectorate.

Business Trip

As support for its serious allegations the society referred among other things to information provided by former Bofors computer engineer Ingvar Bratt, who previously revealed the company's alleged smuggling of Robot-70's into Dubai and Bahrein.

Bratt said that he discovered that the 22 Bofors guns were being used by Thai military forces during a business trip to Bangkok in February 1983.

One of the places he visited was a military facility outside the capital of Thailand where he saw blueprints from Bofors and radar and firing-control systems that belong to the anti-aircraft guns.

The society also cited articles in the military periodical, ASIAN DEFENCE JOURNAL, that made it clear that Bofors guns are being used by the Thai Army.

There has been a ban on exporting Swedish war materiel to Thailand since the beginning of the 1970's. The reason is that there have been armed conflicts in border districts, some of them involving Kampuchea.

Ban Still in Effect

"Even though the conflicts in Thailand itself have not involved any form of civil war there is a ban on exporting Swedish war materiel to that country. The ban is still in effect," Foreign Trade Minister Mats Hellstrom told DAGENS NYHETER.

Hellstrom declined to comment in detail on the accusations concerning smuggling arms to Thailand with reference to current investigations of violations.

"The war materiel inspector received some information from the Swedish Peace and Arbitration Society at an earlier date. This and some other documents have been turned over by the government to prosecutor Stig Age.

Communique

On Thursday Bofors issued a press communique that said, among other things:

"Bofors, Inc. has not shipped any military materiel to Thailand since the 1960's. Bofors stands by previously issued statements that all export sales made by the company were carried out in accordance with the requisite permits."

The Swedish peace group has now demanded that Carl Algernon, war materiel inspector, and former SAF [Swedish Employer's Association] chairman Claes-Ulrik Winberg submit their resignations while awaiting the results of the investigations being made by police and customs officials.

"We gave Algernon our information back in February. He then got in touch with Bofors--in spite of the fact that our condition for providing the information was that he refrain from informing the company," said Henrik Westander, one of the Swedish peace group people who worked on the Thailand affair.

"Algernon then accepted the Bofors explanation which was that Singapore uses Thailand as a training ground for artillery exercises. That is supposedly why the guns were seen in Thailand.

Unsuitable

"This shows that Algernon is unsuitable for the position of war materiel inspector," Westander said.

Carl Algernon dismissed the criticism and said to DAGENS NYHETER:

"It is well-known that Singapore has a high level of military cooperation with Thailand and Malaysia, among others. That is the only thing I determined. I have not expressed my own opinion about what happened in this particular case. I do not speak out on individual matters that are also under investigation by the police."

Further Accusations Made

Stockholm DAGENS NYHETER in Swedish 7 Sep 85 p 7

[Text] The Swedish Peace and Arbitration Society is on the track of another smuggling case in which it believes Bofors was involved.

"It looks as if we have found a new case," Lars Angstrom, chairman of the Swedish Peace and Arbitration Society, told the TT news agency.

It was not until Friday that Lars Angstrom and the society's two smuggling investigators realized that they might have uncovered a new case.

"When we looked through the material we saw that something didn't add up," said Lars Angstrom.

The new smuggling case under investigation involves another sale of Bofors guns to Thailand. This sale however did not involve 40-mm anti-aircraft guns. The Swedish peace group would not reveal more than that.

"It certainly looks a little strange," said Lars Angstrom.

The report the Swedish peace group submitted to the police force in Sodermalm on Thursday has been turned over to Karlskoga.

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MILITARY

SWEDEN

REPORTER, MILITARY SPOKESMAN ON MEANING OF TRACKS ON SEA FLOOR

Stockholm SVENSKA DAGBLADET in Swedish 17 Aug 85 p 48

[Article by Lars Porne and Sune Olofson]

[Text] Sandhamn--The archipelago is seething with rumors. Tracks on the ocean floor, foreign divers and submarines. Swedish amateur divers have gone down, seen the tracks and alerted the navy. Military people have warned the divers and island inhabitants to keep their mouths shut. SVENSKA DAGBLADET reporters Lars Porne and Kent Ostlund went diving off Sandhamn themselves. They did not find out much, but they saw the tracks and photographed them.

Getting to the Bottom of the Rumors

Sandhamn is full of sailboats and motorboards which flock around the old unloading berth and sailing paradise in the outer Stockholm archipelago. Something else is going on there too, something that has left tracks on the ocean floor 20 meters beneath the craft of vacation sailors.

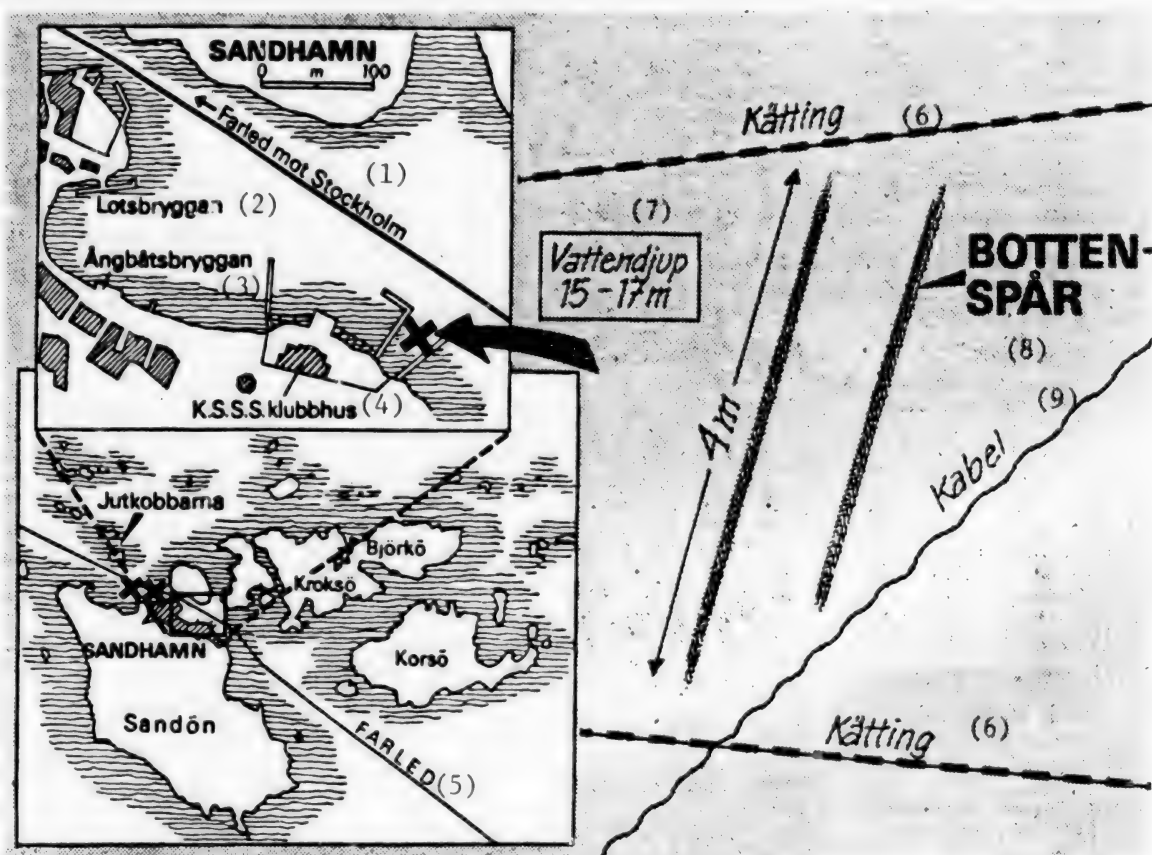
Military people have investigated mysterious tracks on the ocean floor off Flaskberget on the western side of Sando in the direction of Jutkobben.

But that is not the only place where tracks have been spotted, others have been found near Sandhamn's shipyard and, strangest of all, near Seglarkrogen, once the KSSS [expansion unknown] clubhouse. Something left parallel and ruler-straight tracks on the ocean floor halfway between the gasoline pier and the big L-shaped KSSS pontoon pier.

SVENSKA DAGBLADET's team of reporters looked at the tracks there and at the ones near the shipyard. They are quite visible and amazingly straight down there at a depth of between 15 and 20 meters.

No boat or vessel in the Baltic Sea has that deep a keel.

No craft could drag an anchor across the ocean floor in such a straight line or in parallel lines.



Something has left ruler-straight tracks on the ocean floor near the old KSSS clubhouse. The tracks run parallel to each other with a distance of 60-70 centimeters between them.

Key:

- | | |
|-------------------------|-----------------------------|
| 1. Channel to Stockholm | 6. Pier cables |
| 2. Unloading pier | 7. Water depth 15-17 meters |
| 3. Steamer pier | 8. Bottom tracks |
| 4. KSSS clubhouse | 9. Cable |
| 5. Navigable channel | |

At Depth of 15 Meters

We went down from the KSSS pontoon pier to a depth of around 15 meters. It is dark down there until one comes to the bottom where there is a visibility of several meters. The bottom is dirty and covered with junk.

We swam through all kinds of trash, old tires, bottles and tin cans discarded by vacationing sailors.

There were cables and old wires and the thick cables anchoring the KSSS pier and the gasoline pier. They were firmly attached to enormous chunks of stone.

Over our heads boats moved back and forth but we could not see them, we could only hear the sound of their propellers.

Then we found the tracks. They were not very wide, 10 centimeters at most. They ran parallel to each other with a space of 60-70 centimeters between them. It was hard to be precise in the deep water and we did not have a measuring tape with us.

We were careful not to disturb the bottom since that caused the mud there to eddy around us, making it impossible to take photographs.

The tracks were sighted between two thick cables, passing almost directly across them. Just before they reached the cables the tracks disappeared.

Across Cables

It looked as if something had been lying on the bottom across the cables, leaving an impression on the ocean floor between them. Or perhaps as if something had come from the outside and slid across the cables.

The tracks led from the ocean side and approached the beach, but they stopped at a depth of 15 meters. It is deeper a little further out. We dove to a depth of 25 meters in the direction of the tracks, but there was nothing there.

Hans Develius was the one who discovered the tracks near the KSSS pier. He is a teacher but he goes diving in the archipelago in the summer and knows the ocean floor like his own hand.

"I made the discovery in June," he told SVENSKA DAGBLADET.

"At that time the tracks were obviously fresher.

"I thought a lot about what they could be. First I thought they might be anchor traces but eventually I ruled out that possibility. The marks are too straight and they are absolutely parallel with each other."

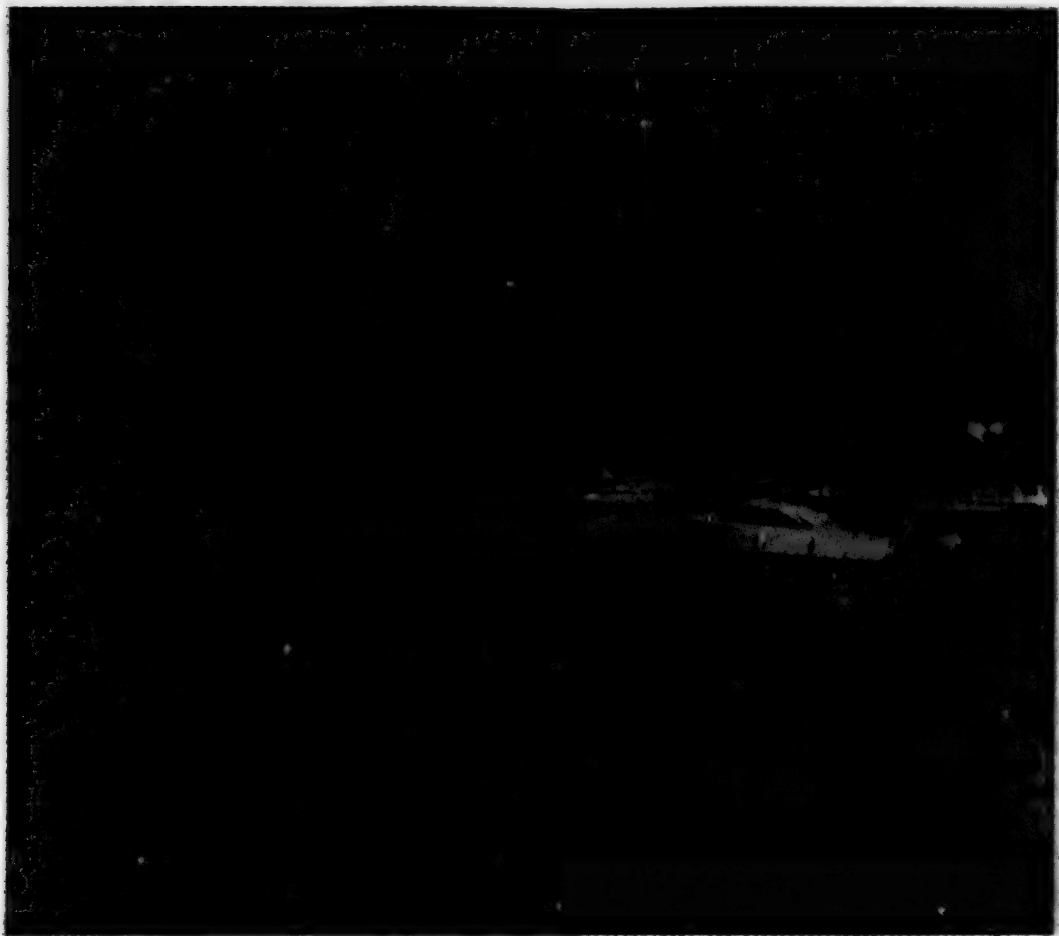
The tracks are mysterious and Hans Develius does not think whoever made them was heading for Seglarkrogen but had something else in mind.

Definitely Not Natural

While we were swimming around down there and looking at the tracks among the cables and the debris we also wondered what could have caused them. But one thing is quite certain--they were not caused by some natural phenomenon.

At the foot of Kvarnberget on the road from the old town in the direction of Flaskberget and Vastern, as this part of the island is called, lies the old Sandhamn shipyard. The shipyard operations have been shut down and a school for divers has been installed in the old boathouse.

Divers from this center discovered the tracks off Flaskberget and alerted the navy which came and investigated. Two years ago a couple of depth charges were dropped in the area because it was suspected that a foreign underwater craft was in the vicinity. But these tracks look newer than that.



The pontoon pier at Sandhamn shipyard. On the bottom at a depth of almost 20 meters there are ruler-straight tracks about halfway between the spot where the picture was taken and the pier.

"There are tracks everywhere," Conny Pettersson, head of the diving school, told SVENSKA DAGBLADET.

"I have seen traces of caterpillar treads off Korso."

On Korso, whose lighthouse illuminated the passage to Sandhamn up until 1961, the coastal artillery has vital big installations and it is forbidden to go ashore there.

Swimming Around Old Wreck

We were at the old shipyard where a pier leads straight out toward the channel that goes through Sandhamnhalet between Sando and Telegrafholmen.

About 15 or 20 meters from this pier in the direction of the channel there is an old boat wreck at a depth of about 15 meters. The visibility here is better than it was in the old sailboat harbor and we swam around the old wreck that loomed out of the sand.

Then we saw them again, the strange tracks. They came from the outer ocean, a little deeper this time, and stopped a few meters from the wreck. They resembled the impression of something that slid over the ocean floor and stopped at the wreck.

A little farther to the right of the wreck, when looking at the scene from the shore, we saw other similar tracks. They too came from the outer ocean and were quite straight.

At right angles to the pier we descended from and a little more to the west there is a long pontoon pier constructed by the summer tourists' association, Friends of Vastern.

Ruler-Straight Track

We swam 15-20 meters straight out from this pier and went down to a depth of around 20 meters.

Here, heading toward the channel, ran perhaps the clearest traces of all, like all the others straight as a ruler. A yellow pail stood beside the traces, placed there by one of the amateur divers. The traces ran across the ocean floor and when we looked at them from one end we saw how they seemed to run straight into the gray-green haze.

We tried to ask the amateur divers about all the tracks one can see on the bottom here, but the answer we got was this:

"The military people don't want us to say anything."

From this we drew the conclusion that in some way the tracks are also of military interest.

We did some more diving and took more pictures and while we were on the sea floor between the gasoline pier and the KSSS pontoon pier we heard the ferry to Lokholm, the "Baljan," pass by high overhead and wondered once again who or what had wandered over the bottom here, just a stone's throw from the inn where guests sat at their window tables and watched the bubbles from our air hoses as we rose to the surface.

Resemble Anchor Marks

"The pictures tell us nothing." That was the spontaneous reaction of the defense staff when SVENSKA DAGBLADET displayed five pictures of tracks on the ocean floor taken in the Sandhamn area.

On 13-14 July of this year navy divers searched the ocean floor around Sandhamn. The reason was that amateur divers got in touch with the Musko Navy Base concerning mysterious tracks on the bottom.

"After careful analysis we were unable to document the presence of a submarine," said Hans Dahlberg, defense staff chief of information. It was also impossible to detect outside underwater activities.

When SVENSKA DAGBLADET exhibited the pictures on Friday Wyn Enqvist and Hans Kalla were also present. Wyn Enqvist developed and printed the pictures from Harsfjarden that the armed forces released for publication following the incident there.

Captain Hans Kalla is in charge of the navy's diver detail.

"I have seen pictures that were better and pictures that were worse," Hans Kalla said.

In a harbor for small craft such as Sandhamn there are undoubtedly a great many anchor marks, Hans Dahlberg said.

Anchor Dropped Early

"When people come in they often drop their anchor some 40-50 meters from the pier and drag it along until it catches on the bottom. The anchor rips algae and mussels loose and leaves tracks on the bottom," said Wyn Enqvist.

Hans Kalla pointed out that surface buoys often get frozen in the ice during the winter. When the ice thaws the buoy may remain attached to an ice floe that is blown along by the wind.

"The buoy attachment, which lies on the ocean floor, can leave tracks when the floe moves," said Hans Kalla.

The same thing is true of the weights that hold a fyke net on the bottom. The net buoys on the surface can freeze up and then move in the spring.

Why are the tracks so straight?

"There is nothing strange about anchor marks being straight," said Wyn Enqvist. "Boats are heading straight for the pier."

Hans Kalla said that visibility is very poor for divers in the Stockholm archipelago.

Hard to Take Good Pictures

"It is hard to take good pictures even as far out as Sandhamn. The mud and the darkness make it almost impossible. The visibility ranges from zero, when one can't even see one's own hand, to 3 meters. The water is also full of particles. When one lights a photo flashbulb the effect is the same as when one turns on automobile headlights in a snowstorm.

"It is also our experience that young inexperienced divers can see all kinds of things.

"In the cases where we have asked archipelago inhabitants to keep quiet the reason was that the observations were still of current operative interest. Naturally we cannot apply a collective gag to archipelago residents for an indefinite period of time."

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MILITARY

SWEDEN

HAGGLUND & SONER SELLS ARTICULATED COMBAT VEHICLES TO NORWAY

Stockholm SVENSKA DAGBLADET in Swedish 17 Aug 85 p 1

[Article by Morten Abel, Lena Bejerot and Bo Ostlund]

[Text] The ASEA [General Electric Company, Inc.] subsidiary, Hagglund & Soner in Ornskoldsvik, has received an order from the Norwegian armed forces for 2,000 articulated combat vehicles at a cost of 1.5 billion Swedish kronor.

The combat vehicles are to be delivered between 1987 and 1991. Hagglund has also promised to make counter purchases worth 600 million kronor from Norwegian industrial firms.

"This is the biggest export order we have obtained," said the company's executive director, Bo Sodersten. The contract is part of the overall agreement concluded by the Swedish and Norwegian governments in November 1983 which was aimed at achieving better balance in arms trade between the two countries.

No New Jobs

The billion-kronor order won by Hagglund & Soner will not involve any new jobs but it will mean that the company can "maintain its position" for a long time to come.

"We will be able to continue manufacturing articulated vehicles at a very high rate of speed. Today we turn out five or six vehicles a day," said Bo Sodersten.

The combat vehicles, which have been delivered to armies in 15 countries since 1980, represent around 10-15 percent of the company's total production.

"We are the only ones turning out this product and we have not had much competition. However armies might order some other type of transport vehicle, such as helicopters, for example," he said.

The company, which has around 3,000 employees, had sales of roughly 1.4 billion kronor last year and profits of around 136 million kronor. Sales are expected to reach the same level this year.

Increased Field Strength

"The Swedish articulated combat vehicles have a unique capacity for moving over difficult terrain and they will give the Norwegian Army considerably more strength in the field," said Major General Karsten Kristiansen.

The vehicles will be used by the infantry, communications units and anti-aircraft forces. Tests are also being conducted to see if the articulated vehicles can be equipped with artillery. If they can the Norwegian Army will buy more vehicles for that purpose.

When asked if Norway can rely on getting deliveries of spare parts in war-time despite Sweden's neutrality Karsten Kristiansen replied that the order included a sizable supply of spare parts.

The Viking concern, Kongsberg Weapons Factory, Raufoss Ammunition Factories and Dyno Industries are among the Norwegian companies that might function as Hagglund's subcontractors. Viking/Mjondalen has already received an order worth 100 million kroner. The company will supply industrial rubber for the treads of the vehicles. Other counter purchases have not yet been decided on.

Sales to 10 Countries

Hagglund's articulated combat vehicle 206 is the Ornskoldsvik factory's biggest commercial success. The only real threat to volume sales is the vehicle's predecessor, the 202, 3,000 of which were sold to Norway during the 1960's.

Swedish defense is a big Hagglund customer, of course, but the combat vehicles are also sold for nonmilitary use. They have obvious uses in forestry, in areas without roads, in line work over swamps and tundras, etc. in all parts of the world.

Purchased by 10 Countries

Hagglund estimates that it could sell 15,000 of the model 206 articulated vehicles by the end of the century and around 10 countries are already customers.

The vehicle is a profitable export item since it is not regarded as war materiel in its basic version and can thus be marketed and sold in the usual way.

The design is inspired. The front vehicle with its also motorized "trailer" has a unique ability to maneuver over all kinds of surfaces: snow, swamps and dry hard roadways. Much of the material used consists of plastic and rubber, thus eliminating rust problems.

The military objection is that the vehicles do not provide any protection against even light shell fragments.

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MILITARY

SWEDEN

BRIEFS

PILOT PAY ISSUE UNRESOLVED--During the fall the National Collective Bargaining Office will negotiate for better benefits for Air Force pilots. The talks are a result of a study submitted by the supreme commander in June this year. The proposal contains measures such as binding 10-year contracts, higher basic pay and a bonus of about 100,000 kronor for those who stay on after the end of the contract period. The measures are an attempt to halt the flight of trained pilots to commercial aviation. The practical results of the talks are likely to take some time, however, and Lars Hellberg of the Pilots' Trade Association says the mood in the associations is becoming very irritated. The quota of pilots permitted to transfer to commercial aviation this year has now been filled, and for the time being no leave is granted for the purpose of looking for other employment. [Text] [Stockholm DAGENS NYHETER in Swedish 25 Aug 85 p 6] 11949

CSO: 3650/333

ECONOMIC

EUROPEAN AFFAIRS

PHILIPS' DEKKER ON WAYS TO IMPROVE EC COMPETITIVENESS

The Hague INTERNATIONALE SPECTATOR in Dutch Aug 85 pp 455-460

[Article by W. Dekker, president of Philips: "Europa 1990--An Agenda for Action"]

[Text] "America will feed the world,
Japan will provide the world with industrial products,
and Europe will be the playground for both the others."

Not long ago I heard someone say that, and it very definitely made an impression on me. Why? Simply because there may be a kernel of truth to it, and if it is true, then we cannot simply blame the Americans or the Japanese, because in fact it is our fault. Let us be honest. In Europe we have simply failed to make the best of our opportunities. Just let us go back in history to 1957, the year when the Treaty of Rome was signed.

The purpose of the European Economic Community is laid out in Article 2 of the Treaty of Rome. The goal is to achieve "a harmonious development of economic activities within the Community, steady and balanced expansion, greater stability, an increasing improvement in the standard of living, and closer relations among the member states."

The same article lists two ways to realize these goals of the EEC, namely:

1. setting up a common market; and
2. more convergent economic policy on the part of the member states.

Since that time, more than a quarter of a century has passed. Drawing up a balance sheet by comparing original goals with results achieved can only serve to intensify still further the crisis atmosphere within the EEC.

Since, however, experience teaches us that it is precisely thanks to crises that progress is achieved in the EEC, it is in this context that I wish to make my contribution to the discussion of the current state of affairs by noting the following facts:

--The EC counts 12.5 million unemployed, among them many young people.

--The EC's competitive position on the world market has deteriorated in relative terms, since in the last 10 years productivity in the Community has risen 10 percent less than pay. In the United States and Japan on the other hand it has risen more.

--The burden of social spending, expressed as a percentage of wage and salary costs, is about twice as high as that of our competitors in Japan and the United States.

--The European member states have built up an enormous bureaucratic government apparatus, and more than half the GNP goes for that. In Brussels too, the Community's headquarters, there are examples of this kind of thing. I continue to be amazed at the fact that two thirds of all the civil servants employed by the Community are involved in one way or another in translating. Why do they not use just one or two working languages? At Philips we had already decided several decades ago to use a single lingua franca. Every manager holding a job of any importance is expected to be able to communicate in English, our "company language."

--The balance sheets of the 100 largest firms in Europe (not counting the petroleum industry), if added together, showed a profit of zero percent in 1980.

--The so-called "non-Europe" costs are estimated at 50 billion ECU's per year. To put it in other words, Europeans work one week a year to pay the costs caused by the lack of integration.

--In Europe there is talk of shortening working hours to 1,400 hours a year, while our competitors in Japan work 2,100 hours a year, or 50 percent more, and the Koreans work 2,800 hours a year, or twice as much.

--The center of world trade is in the process of shifting from the Atlantic Ocean to the Pacific Ocean. The Pacific Ocean is not so pacific any more. In contrast to Europe, the Far East is seething with activity.

--Japan has already based its plans on these developments. The Japanese are talking about future scenarios where the United States is viewed as the granary of the world, or as the Japanese say, the world supplier of "foodware." The Far East is seen as the world supplier of hardware, and the future of Europe is seen in being the cultural museum of the world.

Strange developments when you bear in mind the trump cards that Europe holds in its hand. A scientific potential without equal, as the number of Nobel laureates shows. A research and development capacity that can compete with other centers of excellence in the world--just think of the patents awarded to European firms. An inexhaustible source of culture, which includes our world languages, that could be the starting point for the software dimension of our information society. Experience, gained in the centuries when we had the leading role in industry and world trade. Knowledge of administrative systems and economic relations all over the world. And, last but not least, a potential domestic market of 270 million people and of a good 320 million after Spain and Portugal join, compared to 220 million in the United States and 120 million in Japan.

If we ask ourselves then why things are not going the way we would like in Europe, the answer is: "Because we have still not done the homework that was assigned in Rome in 1957." Once again I would like to point to Article 2, because it is there that the assignment is formulated and the two paths are stated: setting up a common market; and a more convergent economic policy on the part of the member states.

To make it clear how serious the situation is, I would like to place things more or less in a historical perspective. I want to remind you of the well-known period of the "Pax Britannica." After the Industrial Revolution, Great Britain played the leading role in the world for more than a century. She did so on the basis of her technological lead after the discovery of the steam engine, with all its applications. That leading role was taken over in the course of this century by the United States on the basis of her technological lead in the automation of large-scale production and the computerization of the control process. Now, on the eve of the information society, Japan is coming to the fore.

Japan has laid down an impressive VLSI microelectronics plan, because Japan plans to use the microchip--the building block of a technological revolution in the information sector--as the springboard to what will be the fastest-growing industrial sector for the rest of this century: information technology. Japan's strategic plan provides for production of the fifth generation of computers in 1992--a computer that is equipped with artificial intelligence and can be addressed either in English or in Japanese.

This is a project comparable to landing the first man on the moon, but with far greater socio-economic consequences. It represents a sort of flying start towards the dominant role that the Far East, and Japan in particular, is going to play in the world, thanks to its technological lead.

I mentioned the year 1992. The time still remaining to Europe to respond is short. The clock shows 5 minutes to twelve. We will have to do our homework in those 5 minutes: to set up a genuine common market and to carry out a more convergent economic policy on the part of the member states.

It is against this background that the appropriate staff sections at Philips laid out a 5-year plan that runs from 1985 to 1990 and is designed as a pragmatic aid to bring the common European market closer in 1990. That is why it is entitled "Europa 1990."

This plan contains concrete measures to be carried out at concrete points in time. The plan assumes that a pragmatic approach will often be able to solve 80 percent of the problems. If we aimed for 100 percent perfection, that would only play into the hands of the techno-bureaucrats who see a problem in every solution. The one all-dominating goal is to have the job done by 1990. I also want to add that in many specific and professional areas where it is necessary to harmonize local laws, often the most practical and effective way to achieve that breakthrough to harmonization is to do away with the laws and/or to deregulate.

It is of vital importance for Europe's competitive position that we create a domestic market on a continental scale and based on free import and export of goods and services within Europe:

1. In the first place, large-scale manufacture is necessary to cover the gigantic cost increases in research and development. These costs are inherent in modern technologies and are more than the individual national markets will support.
2. In the second place, it is necessary to increase the scale of operation in order to offer competitive prices in Europe, because advantages of scale and quick growth are the strategic elements that our competitors in the world market use to take advantage of the "learning curve" effect.
3. Further, a homogeneous infrastructure based on uniform Eurostandards would be an important stimulus to the rapid adoption of innovative products and systems and to new technologies in Europe.
4. Advantages of scale and rapid adoption of new products in the market are also of importance to small and middle-sized firms, because they provide subcontractors and suppliers with a healthy climate where high-level specialization can prosper.
5. Advantages of scale and greater uniformity at the European level would relieve financiers, contractors, and all those carrying out technologically high-grade development strategies of much of their current uncertainty and doubt.

6. The combination of free trade in goods and homogeneous norms at the European level would result in a sharp reduction in inventories, a reduction in prices, and an improvement in our competitive position. (To give an example: plus or minus 30 percent of the capital of a firm like Philips is tied up in inventory.)

7. Consensus is more and more becoming an additional factor of production, along with capital and labor. A genuinely homogeneous market could serve as the basis for such industrial consensus at the European level.

In short, there are compelling reasons to start our homework. For pragmatic reasons we have selected four areas of priority, namely:

1. Cross-border trade.
2. Fiscal aspects; VAT in particular.
3. Standardization.
4. Government purchases, above all in the area of infrastructure for our information society, or in other words: telecommunications systems.

A separate document entitled "Europa 1990--An Action Program" contains these priorities as worked out in detail. Further, the action plan contains a timetable with the dates when each item should be implemented. I will describe briefly the main points of each part, leaving a discussion of the details of these very specialized subjects to the experts.

Section I: Simplification of Trade

When trade crosses borders within the Community, each goods shipment can be checked at 70 different points. A truck driver has to have 35 forms with him; and he usually needs several copies of each form. It is clear that such inefficient practices do not accord with the idea of a common market, where trade transactions between member states ought to be just as simple and deregulated as transactions within the national borders.

The action program provides for a two-track policy in this regard: "Harmonization of rules and methods" and "Simplification of trade procedures."

On the first point--harmonization of rules and methods for movement of trade and information--you have to start from a new way of looking at how international transactions work.

This new way of looking at things is based on an integrated approach to such transactions, on no longer splitting them up into separate import and export transactions. Experience teaches us that such a division only makes for an enormous increase in the accompanying flood of documents. One important aspect of our new approach is to cooperate in order to test how modern developments in information technology can contribute to the integrated concept of trade transactions sketched above.

In this connection it should be noted that the 12 firms participating in the ESPRIT project (European Strategic Program for Research in Information Technologies) have agreed to use the "Open System Interconnection" system (OSI). With this system different computers and communications networks can be linked to one another.

These networks can thus be used for trade transactions by those concerned, i.e. by importers and exporters, but also by banks, shippers, ports or airports, customs offices. In this way we can make a start on the process of replacing the flood of paper by reports made via teletransmission systems, on the basis of standard codes and interfaces.

This chapter describes another example of the movement towards international trade transactions without a lot of paperwork, namely the use of the so-called "smart card." This little electronic device is not only capable of transferring money but also of carrying out trade formalities, accessing data bases with trade information, etc.

Business and government must stimulate and support experiments in order to introduce this kind of modern infrastructure systems. The precondition to that, however, is that such systems be based on generally accepted norms (such as the UN recommendations on the exchange of trade data).

In order to create a homogeneous structure for a communications network within the entire common market within the proposed time period, the Commission and the Community's "Trade Services" could call on the international firms that already have gained experience with such operational systems. As far as my own company, Philips, goes, we might consider offering the Commission and the trading partners the software package for the COPS program (Connection of Processing Systems). This program was developed in accord with the relevant UN recommendations. A growing number of firms have already asked us whether they can use our reporting structure and our COPS software package.

The second track in this chapter deals with simplifying trade procedures. This can be achieved by splitting trading companies into three categories according to functional criteria:

1. Authorized trading companies that operate in all member states and have received EEC permission to use greatly simplified procedures.
2. Registered trading companies that use the existing simplified procedures, but only on a national or bilateral basis.
3. Other trading companies, such as smaller, national companies that can use the simple administrative document with the procedures associated with that.

In order to bring about a free transit trade within the Community, without procedural, legal, and technical constraints, government and business should cooperate in setting up experiments, working from a phased introduction plan.

In the beginning it will still be necessary to have procedures using paper documents. But gradually we must make possible a paperless exchange of trade information. That means computer-to-computer communication between buyer, seller, and the government bodies involved.

The results will be worth the effort: faster and more reliable information available all along the chain from supplier to customer, but also improved cash flow and lower inventory costs for international industry. These savings can be considerable. The FINANCIAL TIMES of 4 September 1984 gives a good example of that. Automobile manufacturers and parts suppliers in Europe have taken the crucial first steps towards a common electronic communications system. This is the first agreement in the European Community on cooperation among firms in a single business sector. It is estimated that the introduction of such a system can reduce production costs by \$500 per vehicle. The effort to achieve savings of this order of magnitude is thus very much worth the effort.

Section II: Fiscal Aspects

The second part of the action program deals with fiscal harmonization. Many different fiscal barriers will have to be tackled before we can talk about a homogeneously structured Common Market. For pragmatic reasons, however, we concentrated our attention on the highest priority, namely doing away with VAT boundaries. The action plan is based on an approach by which these will be done away with in three phases.

Phase 1. As of 1 January 1986 all member states must wait until later to settle accounts on the VAT levied on imports. This means that VAT accounts will no longer be settled "at the border." Collection and return of the VAT on international goods transactions will thus be reduced to a purely administrative affair.

Phase 2. As of 1 January 1988 the concept of "national fiscal unit" applied to related firms must be extended to that of "community fiscal unit," i.e. it must be made applicable to mother and daughter firms within the Economic Community.

Phase 3. As of 1 January 1990 the fiscal VAT boundaries within the EEC must be done away with entirely.

The result will be that it will in fact be possible to take care of trade formalities between Brussels and Rome just as simply as between Brussels and Antwerp. And after all, that is what a Common Market is all about.

Section III: Standardization

The third part of the program deals with standardization. The recession and the political pressures resulting from national problems with the balance of payments and unemployment form a source of all sorts of nationalist tendencies in industrial and trade policy. Technical trade barriers are more popular than ever before. The lack of European norms delays the development of markets for new products and systems in the Community. In addition, it makes it difficult for European industry to achieve rationalized large-scale production at competitive prices, and that is not in the interest of the European manufacturer nor of the employee nor of the consumer.

It goes without saying that it is above all in the new technologies--such as microelectronics and information technology--that Eurostandards are of vital importance if we are to create a homogeneous market on a continental scale. It often costs \$1 billion or more to develop important information technology items (examples of this are the digital switch system and the superchip). Clearly investments on this order of magnitude are far too great to be earned back in national markets, working according to national standards.

This part of the program includes a timetable for an action plan in the field of general standardization, as well as a special scheme for standardization in "new technologies."

The Commission, government, and business world would have to give emphatic support to the standardization institutes CEN [European Committee for Coordination of Standards] and CENELEC [European Committee for Coordination of Electrotechnical Standards] in accomplishing their important task. If the work is carried out with some speed, it should be possible to reach the stage of harmonized Eurostandards before 1990.

Section IV: Government Purchases--Especially in the Field of Telecommunications Systems

In the Western world, information technology is the fast growing sector of industrial activity. Information technology is a mighty growth market, the opportunities for applications from it are innumerable, and it

holds a mighty potential for improving efficiency. There is no doubt that this sector will form the motor of economic growth for at least the rest of this century.

Combining the computer with communication technology opens new prospects for the technical infrastructure of industrial firms.

In the telecommunications sector, government plays an important role, whether as customer or investor, whether as sponsor or regulator, with its standards and import constraints. Sometimes even as direct competitor in the case of nationalized industries. Telecommunications is viewed as a leading-edge industry and is not included in the codes for government purchasing procedures. That is true both of the EEC code and of the GATT code.

In the telecommunications sector almost all governments have their national, preferred suppliers. Consequently it is no accident that in Europe almost the entire volume of telecommunications purchases falls to these national "champions"; only a tiny two percent is imported.

This kind of nationalism costs the European taxpayer many billions of ECU's every year. Naturally, it is only reasonable to assume that this process of liberalization can only be brought about gradually, by encouraging a policy of bringing in second suppliers and inviting suppliers from the Community to bid to supply products for which Eurostandards have been developed. This might be introduced first for new, peripheral equipment. Next would come transmission equipment, and finally ISDN [integrated services digital network] switches. There will have to be clear European guidelines on government purchasing policy. These would of course have to provide for the possibility of appeal by suppliers finding that they have been treated unfairly.

The process of breaking open markets has to be matched with a policy of stimulating research and development, as well as of stimulating cooperation in production and marketing. In this connection I would like to point to the useful impulse given by the Commission's Information Technology and Telecommunications Task Force. This working group is building on part of the experience gained in setting up the ESPRIT program, but now faces a far more complicated task. In addition, the continuation of CEPT's [European Conference of Post and Telecommunications Organizations] work on harmonization and standardization is of vital importance for a European infrastructure in telecommunications systems.

Conclusions: Cooperative Competition

That is what is covered in the four chapters of the Europa 1990 action program. I repeat once again: this program does not discuss all aspects--only the four essential priorities. For instance, there is no specific mention of such points as:

- the necessity of restoring decision-making by majority rule in the Council of Ministers;
- the necessity for national treaties with third countries to be replaced by Community treaties and the necessity to stop invoking article 115; and
- the necessity to develop monetary integration; etc.

Some will ask themselves in amazement whether this program can be implemented in all Community member states at the same speed. In this regard too we have to be practical and pragmatic. It may turn out that some member states feel they are still not ready to implement the scheme we have presented. In that case, as many states as possible should make a start by taking the initiative and taking on the challenge.

We in Europe have to realize that there is one fact that can no longer be wished away: the progress of new technologies and their mighty influence on society in the 15 years remaining in this century. In the 1950's and 1960's it turned out that the member states of the European Community were able to advance to a level of integration that had previously been thought impossible. I am confident that we are now on the eve of a similar renaissance. We see that the recession, along with the pressure of both Japanese and American competition, has created an atmosphere in which people have become more aware of the fact that it is necessary to take a common approach to matters in Europe.

More and more often we see that European firms are seriously engaged in cooperation with one another. They are convinced that it makes no sense to point an accusatory finger at government and while they themselves wait passively on events. Without reducing in the least their efforts to snatch orders from one another, they are going over more and more to mutual cooperation. I will give a few examples of how they are advancing more and more toward this cooperation, which is based on cooperative competition:

1. Not one important firm declined when the European Commission came up with its first serious proposal in the information technology field: ESPRIT.
2. The quick and general reaction to the Commission's query about interest in participating in the BRITE [Basic Research for Industrial Technology in Europe] program is an indication that a new wind is blowing through the innovative business of Europe.
3. European firms have assembled large investments in order to get access to markets and sources of help outside Europe. They have done this in order to have a presence in the world's most important "centers of competence," where the tempo and direction of new developments are determined. In this way they are keeping channels open so that they will be able to pass these developments on to Europe.
4. And last but not least, my own company, Philips, has not only argued for cooperation at the European level, it has also put it into practice, as for instance with Bull, CIT/Alcatel, Thomson, Ericsson, Siemens, Grundig, and so on. In the majority of these cases the partners have chosen to cooperate not from weakness, but rather from positions of strength, so that by combining their strengths they can operate on the world market.

The year 1990 is the target date for our European action program, and the plan aims at nothing more and nothing less than at implementing what was agreed on in Rome in 1957. I am aware that it can be no easy task to build a European consensus on the basis of the Treaty of Rome. More than 2,000 years ago Virgil sighed that the foundation of Rome had cost pain and effort, when he wrote in the Aeneid: "Tantae molis erat Romanam condere gentem." ("So much effort did it cost to found the Roman people.") The positive side of this exercise is, however, that as we do away with boundaries, boundless opportunities arise for future generations of Europeans.

12593
CSO: 3614/132

ECONOMIC

FINLAND

FUNDS SHORTAGE THREATENS VALMET, AVTEK PLANE PROJECT

Helsinki HELSINGIN SANOMAT in Finnish 20 Aug 85 p 23

[Text] Valmet still believes in its company's plane.

Valmet's California company, Avtek, has gotten stuck in financial difficulties that have delayed type approval of the company's ultramodern plane, the Avtek 400, for at least a year and a half. The delay may turn out to be catastrophic for the project since two other latest-model planes are vying neck and neck with the American plane for the same market.

In its latest issue the English aviation magazine FLIGHT reports on Avtek's difficulties. According to it, the company is now waiting to obtain a type approval for its plane not before September 1987, or 18 months later than planned. They will only stick to the new timetable in the event that they are able to procure a considerable amount of new funding for the Avtek project.

A company representative optimistically believed that an additional backer would be found by next month.

Development of the plane has suffered from a constant shortage of money. There is, however, no margin for delays since the Avtek 400's modern structural solutions will require thorough tests before the U.S. aviation authority, the FAA, is ready to grant a type approval.

The delay will also worsen the project's commercial chances in the competition with the American Beech Starship and the Gates-Piaggio, to be built as an American-Italian joint venture. Like the Avtek 400, both are made completely out of reinforced plastic and new solutions have been abundantly applied in both of them.

They also have recent experience with the disastrous effect of delays occurring during the development phase on this type of project. The first of the plastic commercial passenger planes of the new generation, the American Lear Fan went bankrupt in May when the type approval process dragged on for years longer than planned. Not even the powerful financial support of the English Government, which was based on the fact that they planned to concentrate production of the plane in Northern Ireland, could prevent bankruptcy.

At Valmet they are following Avtek's odyssey with great interest and from a box seat since Valmet general manager Matti Kankaanpaa is a member of the Avtek board of directors.

Valmet Still Has Faith in Its Product

According to information chief Hakan Nordqvist, in the company they still believe in the product itself, but at least so far they have not decided to increase their share of the funding. Valmet has invested \$1 million, or not quite 6 million markkas, in Avtek capital stock. Furthermore, the company is investing about 5 million in the development of a reinforced plastic landing gear and is also developing special versions of the basic plane, which is a so-called 6-to-9-seat commercial passenger plane.

Like many other similar firms, Avtek's difficulties are largely due to the company's background and structure. Behind the whole project is an American, Bob Adickes, who worked as a commercial pilot for 30 years and who is hanging onto the company as if it were his own baby. As long as Adickes wants to obstinately be the chief stockholder, it will be hard to find an outside backer.

The shortage of money and the delays it causes are not Adickes' only worry. Earlier this summer the company's test pilot forgot to lower the landing gear on the only flying prototype so far. However, the damages caused by the belly landing were few.

11,466
CSO: 3617/159

ECONOMIC

NETHERLANDS

AID FOR DEFENSE INDUSTRY

The Hague ANP NEWS BULLETIN in English 16 Sep 85 pp 3-4

[Text] The Hague, 16 Sep—The cabinet on Friday approved an allocation of 10 million guilders in 1986 to strengthen the position of the Dutch armaments industry.

The defense and economics ministries will allot five million guilders each to promote research into military technology, according to a memorandum sent to the second chamber of parliament.

The memorandum drawn up by Defense State Secretary Jan van Houwelingen, said higher sums will be allotted in subsequent years. The aim is to create a Dutch military industry which has its own identity and is capable of competing on an international scale, the memorandum said.

Under the government's 'two-way street' policy, the Netherlands requests offset orders when buying defense equipment abroad.

Foreign Orders

The Defense Ministry spends an average four billion guilders a year on military equipment, some 40 percent of which is spent abroad. About half the foreign orders go to the United States.

Van Houwelingen said some 80 percent of foreign orders had been compensated by offset orders in the Netherlands in recent years, but these orders failed to provide much in the way of technological spin-off or export opportunities. Employment created was lower than expected and generally of a temporary nature.

In future, the Netherlands would demand an offset order for a Dutch-made military product or system wherever possible when placing defense orders abroad, he said.

CSO: 3600/32

ECONOMIC

PORTUGAL

LARGE DROP IN SHORT-TERM FOREIGN DEBT NOTED

Lisbon DIARIO DE NOTICIAS in Portuguese 5 Sep 85 p 5

[Text] Portugal's foreign debt has continued to improve, with the short-term indebtedness now about \$2.9 billion, or 23 percent less than in March 1984, while the Bank of Portugal reduced its short-term debt by 67 percent.

At the end of March of this year the total foreign debt was \$15.67 billion, according to Bank of Portugal data mentioned in a document of the Institute for Analysis of Economic Conditions and Planning Studies. That is 4 percent more than the amount on the same date in 1984.

Portugal's foreign debt "has continued to improve," according to the institute's quarterly analysis, with the short-term debt now about \$2.9 billion, or 23 percent less than in March 1984, and representing 18.6 percent of the total debt.

Nonfinancial public enterprises contributed about \$500 million toward reduction of the short-term debt, which fell about \$870 million between March 1984 and March 1985.

The Bank of Portugal reduced its short-term debt by 67 percent, a percentage representing \$300 million.

The Central Bank's foreign debt was \$150 million at the end of the first quarter of 1985.

Intermediate and long-term debt increased 13 percent in the period, with increases concentrated in the debts of nonfinancial public enterprises (25 percent) and the public administrative sector (20 percent)

The document indicates that the share of these two sectors in intermediate- and long-term debt continued to increase. Through March 1985 the intermediate- and long-term debt of public enterprises increased 44 percent, while that of the public administrative sector increased 32 percent.

Meanwhile, direct foreign investment was \$46 million in the first quarter of the year, 31 percent more than in the same 1984 period.

The analysis also mentions that net intermediate- and long-term capital inflow was \$759 million in the first 3 months of this year, while in the same 1984 period it was \$60 million.

New foreign credits contracted exceeded amortizations by \$739 million, reports the study, which asserts that "sectorally, the most significant flows were channeled by nonfinancial public enterprises (\$718 million, giving rise to net capital inflow of \$550 million) and by the public administrative sector (\$388 million and \$278 million, respectively)."

Nearly all short-term foreign credit operations were for nonfinancial public enterprises, and their net amount was minus \$62 million, which figure is the difference between credits received and amortizations and which in the first quarter of 1984 was \$196 million.

8834

CSO: 3542/251

ECONOMIC

PORTUGAL

POLL ON EMPLOYMENT MOBILITY: TRUTH VERSUS MYTH

Lisbon SEMANARIO in Portuguese 31 Aug 85 p 10

[Text] Changing jobs these days is like changing homes. Few attempt it, much less have the opportunity. Arrange what one can, keep what one has, and thank the Lord. The outcome of our NORMA/SEMINARIO poll permits us to assert this already widely-known truth, only this time supported by the undeniable force of the figures... Another truth of which few are unaware is that the unmapped roads of unemployment are, in most cases, traveled with the aid of a friendly hand, within the circles of personal acquaintances. Such findings, however, are not very often mentioned by those who extol the virtues of classified advertisements or competitive examinations. The figures tell us this, and much more.

To say that the Portuguese are a stable people because a great majority (63 percent) say they have held the same job for at least 10 years is a temptation only if one ignores the plainest realities. By the same line of reasoning, we would be a people so sedentary that we would never even move from one house to another, a pastime that in certain countries constitutes an obligation. But, very possibly, the Portuguese do not change jobs more often for the same reason they do not move away from home: there is no place to go. And the laws of survival lead them to consider a bird in the hand increasingly worth more than a flock in flight. To have had two jobs in 10 years is an adventure that happened to only 21.6 percent of those interviewed. At the level of three jobs, there is an abrupt fall: 8.4 percent tried it, or were forced to. Four jobs in 10 years? An even slimmer figure: 4.5 percent. And that left 1.2 percent who said they had not had any job in the last 10 years.

In terms of labor stability, the upper classes move the least (73 percent with the same job for the last 10 years) and the middle class is the least stable, having 7.3 percent who have held four jobs, 11.3 with three and 21.3 percent with two.

Comparatively, men change jobs more often than women. Of the women, 73 percent have had the same job for the last 10 years, compared with only 54.2 percent of the men.

'Find Me a Job in Your Company'

How does one find a job? Theoretically, the markets of supply and demand should be complementary. If political management of human resources were more intelligent, this complementarity would be very apparent. Instead, things are a mess. In any event, today more than ever, the surest way to find a job is to ask a friend. Personal acquaintanceship is useful in this way for 56.1 percent of those interviewed. Sometimes the chain is long: the friend asks another friend, who in turn knows another friend, who has a cousin whose brother-in-law owns a business, which happens to need a secretary, an accountant, or a "paquete" [middleman].

The existence of 13.4 percent of the replies justify, however, the classified section of the newspapers, offering "attractive career" or "agreeable work." Men (16.7 percent) are more frequently clients of this section of the newspaper than women (10.3 percent), and the poor (27.1 percent) much more than the rich (13 percent). Strange as it seems, personal acquaintanceship is a way of getting a job essentially for the poor (76.5 percent), followed by the middle class (64.7 percent) and the rich (42.6 percent).

The rich are much more frequently subject to competitive examination (34.2 percent) than the middle class, with only 5.3 percent, and the poor, none of whom had to take a competitive examination to get his current job. Which (let's not be naive) reflects the type of jobs to which one or another group has access...

To Move or Not to Move--That Is the Question

To change jobs or not, that was the question. The reply was almost a draw. There were 54.1 percent "yes" answers and 45.1 percent "no."

Which is very closely related to the question concerning "security of current job," which 70.1 percent say they have, compared with 27.7 negative replies.

The reasons for job insecurity are no secret to anyone. The monolith of state enterprise has done away with a number of prosperous industries. A small business nowadays can survive only when the employees are members of the family... and even then... Medium-sized business, with few exceptions, is not sailing on calm waters. The reasons for job insecurity are directly related to the fear of "being dismissed" (40.4 percent) or "employer going out of business" (21.8 percent). Another 37.8 percent had no answer for this question.

With all its defects, the government is still the employer that 55.7 percent prefer, an overwhelming majority when compared with percentages of other replies: 21.9 percent prefer the private sector, 13.8 percent are indifferent, and 8.7 percent did not answer.

A large, benevolent employer, that still pays salaries on time, forgives taxes, closes its paternal eyes to the "minor" defects that are putting any other business at risk, such as absenteeism, overtime, negligence, etc.... Of the less-advantaged classes, 88.4 percent answered that their most desirable employer is the government. The middle class says so 58.5 percent of the time. Of those considered well off, 45.7 percent prefer jobs in the public sector, compared with 37.6 percent who prefer the private sector.

Item	Total	Male	Female	Years of Age		Social Class		
				18 to 44	Over 44	Upper	Middle	Lower
Number of Jobs in the Last 10 Years:								
One	63.0%	54.2%	73.8%	55.1%	79.0%	73.0%	57.0%	66.7%
Two	21.6	26.6	15.5	26.6	11.5	20.9	21.3	33.3
Three	8.4	10.8	5.5	12.1	1.0	4.5	11.3	--
Four	4.5	8.2	--	4.4	4.7	0.2	7.3	--
None	1.2	--	2.7	0.8	2.2	1.3	1.3	--
No Answer	1.2	0.1	2.5	1.0	0.6	0.1	1.9	--

How Current Employment Was Obtained:

Newspaper Ad	13.4%	16.7%	10.3%	14.0	11.6%	13.0%	12.9%	27.1%
Acquaintance	56.1	57.4	55.0	57.4	52.8	42.6	64.7	70.5
By Chance	7.3	3.6	10.9	6.4	9.7	1.8	11.5	1.3
Competition	16.6	15.7	17.4	17.5	14.2	34.2	5.3	--
Unsolicited	2.3	4.7	0.1	0.2	8.0	5.8	0.1	--
No Answer	4.2	2.0	6.3	4.4	3.7	2.6	5.5	1.1

Desire to Change Jobs:

Yes	54.1%	51.9%	56.5%	48.2%	65.6%	62.7%	48.0%	52.2%
No	45.1	47.9	41.9	50.6	34.4	37.0	50.7	47.8%
No Answer	0.8	0.1	1.5	1.2	--	0.2	1.2	--

Security of Current Employment:

Yes	70.1%	64.2%	76.5%	65.6%	78.8%	69.8%	69.9%	76.9%
No	27.7	32.3	22.7	31.5	20.3	25.8	29.2	23.1
No Answer	2.2	3.5	0.9	2.9	0.9	4.3	0.8	--

Reasons for Not Feeling Secure [in Current Employment]:

Can be fired	40.4%	32.1%	53.2%	40.9%	38.7%	0.9%	63.3%	96.2%
Firm may fail	21.8	25.5	16.2	24.3	14.4	50.4	4.5	--
No Answer	37.8	42.4	30.6	34.8	46.9	48.7	32.2	3.8

If Possible, Would You Prefer Employment in Public or Private Sector?

Public Sector	55.7%	55.1%	56.3%	57.5%	54.1%	45.7%	58.5%	88.4%
Private "	21.9	27.0	17.2	24.1	19.8	37.6	14.8	7.3
Either One	13.8	11.1	16.2	15.2	12.5	10.0	16.4	4.3
No Answer	8.7	6.8	10.4	3.3	13.6	6.7	10.3	--

[Breakdown of Findings According to Cities]

<u>Item</u>	<u>Total</u>	<u>Coimbra</u>	<u>Evora</u>	<u>Lisbon</u>	<u>Porto</u>	<u>Vila Real</u>	<u>Viseu</u>
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Number of Jobs in Last 10 Years:

One	63.0%	85.8%	67.5%	61.2%	59.8%	87.1%	68.6%
Two	21.6	4.6	17.8	27.1	12.2	7.2	19.8
Three	8.4	8.3	3.8	8.2	9.9	5.5	8.4
Four	4.5	--	6.9	2.3	11.9	--	1.6
None	1.2	--	1.2	1.1	2.0	--	--
No Answer	1.2	1.4	2.8	--	4.2	--	1.6

How Current Employment Was Obtained:

Newspaper Advertising	13.4%	8.0%	7.0%	9.6%	39.3%	--	2.2%
Friend/Acquaintance	56.1	40.9	47.5	62.2	32.7	42.3%	62.7
By Chance; At Random	7.5	12.2	11.1	5.7	11.5	2.3	28.1
Competitive Exam	16.6	36.7	21.5	16.8	5.7	45.3	2.2
Unsolicited Offer	2.3	--	--	3.0	--	6.3	4.8
No Answer	4.2	2.2	13.0	2.8	10.8	3.7	--

Would Like to Change Jobs:

Yes	54.1%	58.6%	59.7%	54.1%	47.2%	51.3%	56.4%
No	45.1	40.0	35.9	45.1	49.4	48.7	43.6
No Answer	0.8	1.4	4.4	--	3.3	--	--

Security of Present Employment:

Yes	70.1%	81.2%	66.1%	69.8%	66.5%	78.0%	76.3%
No	27.7	16.6	29.5	30.2	21.6	22.0	23.7
No Answer	2.2	2.2	4.4	--	12.0	--	--

Reasons for Not Feeling Secure:

Could be dismissed	40.4%	19.6%	31.2%	37.1%	72.8%	27.4%	24.5%
Firm could fail	21.8	37.4	19.8	21.9	18.2	7.9	16.5
No Answer	37.8	43.0	49.0	41.0	8.9	64.7	59.0

If You Had Your Preference, Would You Choose the Public or Private Sector?

Public Sector	55.7%	44.5%	60.2%	51.7%	65.4	83.5%	83.5%
Private Sector	21.9	32.1	11.1	25.5	12.6	11.7	7.5
No Preference	13.8	22.7	25.7	14.4	9.5	2.0	7.1
No Answer	8.7	0.8	3.0	8.4	12.6	2.8	1.8

Technical Notes

Universe: Portuguese populace over 18 years of age residing in the cities of Coimbra, Evora, Lisbon, Porto, Vila Real and Viseu.

Sample size: 609 individuals.

Sampling method: Random sample, stratified by city, with non-proportional allocation.

Selection: Randomly, by the "random route" method as to household, and, within household, by the Kish method for the person to be interviewed.

Technique: Direct personal interview, using structured questionnaire, in the residence of the person interviewed.

Sampling points: Six cities in which starting points were chosen.

Field work: Interviews conducted during the period of 18 to 26 July 1985.

Margin of error: At the level of the total the error is ± 4 percent within a confidence interval of 95 percent for $P = 50$ percent.

Responsible institute: The survey was made by NORMA, Inc., Portuguese affiliate of Gallup International.

8834

CSO: 3542/251

8 October 1985

ECONOMIC

PORTUGAL

STATISTICS ON 1984 EMPLOYMENT, UNEMPLOYMENT NOTED

Lisbon DIARIO DE NOTICIAS in Portuguese 30 Aug 85 p 2

[Excerpt] In 1984 both the work force and employment decreased in Portugal and official requests for jobs to be filled on the mainland and in the autonomous regions were 329,481, of which 320,525 were filled by the unemployed. Labor employed in agriculture increased.

According to the annual labor-market report of the Occupational Training and Employment Institute (IEFP), the reduction of employment affected men more than women and the industrial sector more than other economic activities.

The report says that at the end of 1984 the work force of mainland Portugal, according to the INE [National Statistics Institute] employment survey, was 4,572,800 individuals, of which 57.9 percent were men and 42.1 percent were women.

The report adds that in the secondary [industrial] sector there were sharp drops in employment, especially in civil construction, as well as recovery in some industries, such as apparel and footwear.

Regarding employment trends, the document indicates that between 1975 and 1981 an average of about 47,000 jobs were created annually, whereas this growth has been interrupted since 1982.

It mentions that 76,300 jobs were eliminated in 1984, the aggregate volume of employment falling to 4,079,600, which is 1.8 percent less than at the end of 1983.

"At the same time, labor employed in agriculture increased, reversing the trend of recent years, and the number of self-employed persons and those employed in very small-scale enterprises increased," it added.

Area of Inactivity

It also says that unemployment worsened, but that the increase in unemployment was less than the decrease in the number of jobs, indicating that there are fewer persons in the work force.

"Despite the loss of 76,300 jobs, the number of unemployed increased only 13,700. There were 493,200 unemployed at the end of the year, which is 1.8 percent more than in the previous year (1983)."

Thus, the report states, "the increase in the rate of unemployment was moderate, although having a distinct effect upon male workers and nonagricultural activities."

Unemployment in 1984 was of a longer duration for those affected, especially among women. This was attended by a moderation of unemployment corresponding to new entrants into the labor market and an increase in the number of persons looking for new employment.

In 1984 workers seeking new employment constituted the principal component of unemployment recorded in the IEFPP centers, resulting in a greater increase of unemployment from this source, the report indicates.

The document states that within the scope of its powers to intervene in the labor market the IEFPP felt the effects of current conditions through a reduction of employment offers and placements.

It adds that the number of workers signing up for unemployment compensation increased, expanding the coverage of this arrangement.

Unemployment is not the same throughout the country, and the report concluded that, although all regions have been affected by the crisis in the labor market, the most critical situations are in the large urban regions and especially in the Lisbon area.

8834

CSO: 3542/251

ECONOMIC

PORTUGAL

BRIEFS

WAGE STATISTICS FOR 1984--The average monthly salary of workers in mainland Portugal in 1984 was 24,700 escudos. Among all districts, this average was surpassed only in Lisbon (with 29,176 escudos) and in Setubal (25,899 escudos). According to a Labor Ministry publication, the average salary was less in sectors with the most workers, being 18,176 escudos in textile industries, 21,427 in civil construction and 19,344 in restaurants and hotels. In agriculture and in the lumber and cork industries, the average monthly salary was even less: 16,427 and 17,884 escudos, respectively. The Labor Ministry's statistical department also found that the difference in average monthly salaries between the two sexes was 22 percent, being 26,529 for men and 20,575 escudos for women. Semi-skilled, unskilled workers and apprentices received wages less than the aggregate monthly average, the difference between apprentices and skilled personnel being as high as one to five. [Text] [Lisbon DIARIO DE NOTICIAS in Portuguese 3 Sep 85 p 1] 8834

CSO: 3542/251

ENERGY

FINLAND

NUCLEAR ENERGY STILL INCLUDED AS ALTERNATIVE FOR HELSINKI

Helsinki HELSINGIN SANOMAT in Finnish 7 Sep 85 p 8

[Text] The use of nuclear power is again included among the alternatives being considered for guaranteeing energy service for Helsinki during the next decade. In a study done by the Energy Institute it was confirmed that nuclear energy is more economical than coal or natural gas.

The managing director of the Energy Institute, Aimo Puromaki, says in his statement that nuclear power attracts us with its economy, but the lack of time prevents its realization during this phase. The building of the nuclear power plant would take too long, even if the decision in principle were to be made shortly.

Politically the choice of the nuclear power plant is difficult as opponents of nuclear power are to be found among all council groups.

Gunnar Smeds, the deputy mayor for Helsinki's industrial affairs, says that comparisons are continuing to be made. According to Smeds, all the information will be made public, when something is ready. The Council gets cost estimates also, but "they will not become public until they are leaked."

According to Smeds the Energy Institute now has too much information. The biggest problem is to reduce the information so that the councilmen can get something out of it. The matter is now being handled, one way or another, by the Energy Board at its every meeting, Smeds tells us.

Smeds does not expect a statement from the Energy Board very soon. He would prefer, however, that decisions concerning the energy question would be made this winter. Smeds remarks that at this point both the Board and the officials need a chance to work in peace.

12989
CSO: 3617/166

ENERGY

ITALY

TECHNICAL, FINANCIAL ASPECTS OF HORIZONTAL WELL DRILLING

Rome STAFFETTA QUOTIDIANA PETROLIFERA in Italian 10 Jun 85 pp 9-11

[Article by GCA: "Rospo Mare: Adriatic Island of Elf Technology"; with related map excerpted from French publication AFP SCIENCES]

[Text] Toward the end of last month, a group of international press representatives visited Rospo Mare A, Elf Italiana's offshore platform in the Adriatic at Vasto, where, in 1982, a "world first" was consummated with the successful drilling of a horizontal well at sea. Rospo Mare A will shortly be joined by a new development module, Rospo Mare B. And for the first time worldwide, a "stub-born" oil field will be developed industrially by means of horizontal wells. Our special correspondent's dispatch follows.

For the first time worldwide, an oil field will be developed industrially by means of horizontal wells. It is the Rospo Mare reservoir discovered 10 years ago in the Adriatic by Elf Italiana. The decision is now operative. The definitive program was approved in recent months by the Ministry of Industry after having been agreed to in all its technical and financial particulars by the other two minority partners in the concession: Agip and Sarom Raffinazione (formerly a Monti and now an ENI [National Hydrocarbons Agency] subsidiary).

For Elf Aquitaine it is the crowning achievement of long years of research on the technology of horizontal well drilling, in which the French group holds undisputed leadership, in fact a kind of exclusive, at world level. For Elf Italiana, it is the confirmation of the validity of a strategic choice intended to shape its entire future activity in this country.

Decisions like this one, besides marking a fundamental milestone in the history of oil, underscore the commitment of the international oil industry to extending the frontiers of research and enhancing the possibilities of exploitation and recovery of hydrocarbon reserves. Without horizontal well drilling, in fact, the development of the Rospo Mare reservoir—a deposit situated in an anomalous geological structure containing a particularly

heavy (11° API), viscous crude (17,000 cp [centipoise(s)]), virtually devoid of gas--would have been absolutely uneconomical and its considerable reserves would have remained indefinitely below the bottom of the Adriatic.

As pointed out by Engr Jacques Bosio, the Elf Aquitaine group's deputy head of research, the particular advantage of horizontal well drilling is its ability to traverse a reservoir for several hundred meters--a decided advantage over vertical drilling. This feature takes on major importance in the case of reservoirs that are not very thick, that have a compact rocky matrix rather than a granular one, with vertical fractures very distant from one another and with very active underlying water-bearing beds. These characteristics are all present in the Rospo Mare reservoir. In these cases, a vertical well often proves unproductive, or, in the positive case, tends to favor a very rapid influx of water, given also the different density of the crude present in place, thus penalizing heavily the exploitation of the reservoir.

But drilling a horizontal well--inclined, that is, up to 90° from the vertical--is not easy.

The Americans, Russians and Chinese have been trying to do this since the 1940's, but all of them have sooner or later given up in the face of the enormous difficulties encountered in completing such wells and the extremely low productivity expected from them in terms of recoverable crude. Proof of this is to be found in the fact that to date, except for the one that Elf is setting about developing at Rospo Mare, no industrial application of this technique exists.

Some of the principal obstacles encountered in the process of drilling are: the difficulty of advancing the drill string along the horizontal portion of the drillhole owing to the lack of the force of gravity, which, if anything, tends to bring it back to a vertical position; the difficulty of imparting a given inclination and direction to the drillhole with the drill string rotating about itself; the difficulty of measuring the inclination and the deviation from the planned trajectory; the cleaning out of the horizontal portion of the drillhole and its cementation in sections exhibiting water seepage that must be sealed off; coring, that is the gathering of rock samples; and the development of the well into a producer. Moreover, throughout the drilling operation, more numerous and more complex measurements must be made than in the case of vertical wells.

Another fundamental question has to do with cost, which if too high could not be offset by the added production the horizontal well should theoretically guarantee with respect to a vertical well.

Elf's 'Gimmicks'

These are the problems Elf Aquitaine found itself facing and having to resolve when, in 1978, with scientific help from IFP [French Petroleum Institute], it embarked on a research project on the horizontal well drilling

technique. After several unsuccessful attempts using flexible drill stems, Elf Aquitaine centered its research effort on the application, first in the laboratory and then in the field, of a number of expedients--"gimmicks" as Engineer Bosio defines them in sparkling French--to the techniques traditionally used for the drilling of vertical wells: a pragmatic kind of approach which in the end proved a winner.

Fundamental among these "gimmicks" were: the use of a turbine to keep the drill string from rotating as the bit turns; the insertion of drill rods bent according to a certain angle and variable-diameter stabilizers--the "Bentomatic" system patented by Elf for modifying the angle of inclination from the surface without tripping; the Teleco "measurements-while-drilling" system; the Simphor method of stratigraphic mapping and electrical diagramming; and a highly sophisticated and miniaturized electronics capable of withstanding without mishaps the series of shocks imparted by the advancing of the bit.

Through the use of these "gimmicks," the drill string, after reaching a certain depth, begins to incline at a rate of approximately 1° per 10 meters, until it attains and maintains a 90° angle inside the reservoir, then continues to advance the borehole for several hundred meters. The method also encompasses the "hardening" of the well walls where necessary to stop water infiltrations, and, on the other hand, the creation of openings where needed, using explosive capsules, to enhance the flow of oil.

The first horizontal well drilled by Elf Aquitaine dates back to 1980. It was drilled in 44 days, between 14 May and 30 June of that year, at Lacq, France, onshore. The total length of the well was 1,036 meters, of which 670 meters were drilled vertically, and 270 meters comprised a horizontal section (at between 86° and 92° from the vertical) inside the reservoir.

Its cost came to 3 times that of a vertical well drilled a short distance away. The second well was drilled, again at Lacq, in 42 days and measured a total of 1,250 meters in length, comprising a 670-meter vertical section and a 470-meter section--370 meters of which were horizontal--inside the reservoir. Its cost came to 2.7 times that of the vertical well.

These two experimental wells (Lacq 90 and Lacq 91) confirmed the feasibility of onshore horizontal well drilling. The next step had now to be taken: the sinking of a genuine productive well. And this is where Italy and the Rospo Mare reservoir came into the picture.

An 'Ambiguous' Deposit

This deposit had been discovered with the drilling of the Rospo 1 well by Elf Italiana between 29 January and 15 March 1975 in connection with prospecting permit B.R28.BS, issued for Zone B of the Adriatic continental shelf at a depth of 50-90 meters, in a sound 70 km east-by-southeast of Pescara, approximately 20 km offshore at Vasto. The drilling of three other wells--

Nasello 1, Rospo 2 and Rospo 3--between April 1975 and August 1979 had confirmed that what was involved was a rather extensive geological structure covering an area of some 250 square kilometers, and that the reservoir itself covered an area of some 175 square kilometers, 15 of which were definitely identified. There could be no doubt that what had been discovered was a pool of crude oil the size of which could be as much as several tens of millions of tons (perhaps 200 million), hence a large one; but it remained to be shown that a considerable part of it could be produced on a viable economic basis. The reservoir proved stubborn, rather "ambiguous," as Engr Jean Paul Demesy, head of Elf Italiana's operations headquarters, puts it: a reservoir that clearly could not be developed using traditional techniques, and that required a pause for scientific thought to find the most appropriate technological solution for its eventual development.

Meanwhile, in 1978, Elf's exploration permit had been converted into Concession B.C8.LF co-owned by Elf Aquitaine to the extent of 61.7175 percent, and two other partners: AGIP (28.8825 percent) and Sarom Raffinazione (9.40 percent).

The ambiguity of the deposit stems from its location inside a calcareous schist not exhibiting the intergranular spaces in which oil is generally found to have accumulated. In the case of Rospo Mare, the oil is instead found trapped in fissures and galleries formed by "karstic-type" disintegrations not filled or destroyed prior to the migration of the oil in place---fissures, moreover, whose distribution and magnitudes are highly circumstantial.

Anyone interested in visualizing this particular type of structure can get a close-up view of it in the rock caves of Apricena a little to the north of the Gargano promontory. In fact, the Elf geologists have found that it is the selfsame structure as that of Rospo Mare, extending into Apulia where, however, as geologist Michel Bennehard points out, in some zones and particularly at Apricena, it has been filled by subsequent sedimentations that were not found in the first four wells drilled at Rospo Mare.

Happy Solution

In structures of this type, why can the horizontal well provide the happy solution?

In a "karstic-type" accumulation, explains Engr Demesy, horizontal drainage, owing to its orientation and length, increases considerably the probability of finding the oil-filled fissures, which in the upper part of the reservoir are vertically oriented. "To illustrate the idea," says Demesy, "let's suppose these fissures are some 100 meters distant from one another. It's easy to see that a horizontal well several hundred meters long has a strong probability of intersecting them, whereas a conventional vertical well stands a good chance of missing them and thus turning out dry." "Besides," adds Demesy, "horizontal drainage keeps water more distant, delays its arrival

at the well--a far from negligible advantage, adding to that of the greater productiveness of the well owing to its greater penetration into the interior of the reservoir."

To test the practical validity of these theories as applied to the deposit discovered in the Adriatic, Elf decided in January 1980 to install a fixed platform offshore at Vasto--the Rospo Mare A--from which three wells were sunk: Rospo 4, a vertical well; Rospo 5, a deviation well; and, between 7 January and 19 March 1982, Rospo 6, a horizontal well.

The latter, as we had occasion to point out at the time, was the first well of this type ever drilled offshore worldwide--a real world first, a fundamental leap forward in the technology of oil production and in the exploitation of the Rospo Mare reservoir. Prior theories proved to be correct. Rospo 6 has a total length of 2,316 meters, 1,370 meters of which are vertical, and extends into the interior of the deposit for all of 606 meters, 370 meters of which comprise a horizontal section running never more than 30 meters below the "roof" of the reservoir, at a good "safe level," that is, with respect to the water-bearing bed that predominates 150 meters further down.

Comparing Rospo 6 with the other two wells--Rospo 4 and Rospo 5--it has been found that although it cost 2 and 3 times as much as the latter two, Rospo 6's productiveness is 5 times greater. Rospo 6 has yielded 295,000 of Rospo Mare A's total production of 429,000 tons to date, versus Rospo 4's mere 100,000 tons and Rospo 5's 33,700 tons. Whereas in the case of Rospo 5 the inflow of water into the well was almost immediate and in that of Rospo 4 it began after 8,000 tons of oil had been extracted, in the case of Rospo 6 it began after 70,000 tons had been extracted and the flow of oil was around 450 cubic meters daily. Currently, the Rospo Mare A platform produces around 350-400 cubic meters daily, of which 250 cubic meters are produced by Rospo 6.

A fact worthy of note is that the extraction of the oil from all three wells is done by pumping, using special pumps specifically designed for viscous oil like that of Rospo Mare and for use on offshore platforms, where encumbrances must be reduced to an absolute minimum and where the classic "dunking bird" pumps that are so much a part of the Texan oil landscape would therefore be unusable. The pumps actually used were developed by Elf Aquitaine's engineers, were used for the first time in the Congo for the Emeraude deposit, and are now being sold throughout the world by the Nantes-based Mape company, a subsidiary of the Elf Aquitaine group.

The Rospo Mare B Project

Having successfully met the challenge of Rospo Mare by combining a horizontal well with a vertical pump, Elf could now undertake a more difficult phase--that of the industrial exploitation of the reservoir. Thus was born the project which is now in its executory phase, namely, that of a second

fixed platform, the Rospo Mare B development module, to be interconnected with Rospo Mare A to form a single center for the processing, stowing and unloading of the extracted oil.

From the platform, the installation of which is to be completed by August of next year, drilling will start in May 1986 on four horizontal wells in a radial spoke pattern, with the object of commencing production by fall of the following year, 4 months earlier than would have been possible under a conventional type solution.

The four horizontal wells, besides augmenting the productive potential of the reservoir (a peak of 480,000 tons/year is planned for 1988), should also provide important data confirming, above all, the extension and orientation of the deposit beyond the "magic triangle," as Demesy terms it, that has been identified to date by means of the first six wells. If, as is hoped, the results are positive and conformation is obtained that the accumulation of oil in place greatly exceeds the currently proved 30 million tons, four additional wells can be drilled, still from Rospo Mare B, beginning in 1988, and within the same radial spoke pattern, thus further intensifying the program of development of the deposit.

Concurrent with the drilling of the horizontal wells, the Rospo Mare B plan calls for installation of a complex of ancillary facilities: A dehydration and desalinization plant to bring the extracted oil up to the commercial specifications required by refineries (less than 0.5 percent water and 120 mg of salt); a facility for reinjecting water into the water-bearing bed of the reservoir via a vertical well; a storage facility consisting of an oil tanker stably anchored at about 1-and-1/2 kilometers from the platform; a drill-rig support ship moored alongside the platform; and interconnecting systems with Rospo Mare A.

Planned expenditures for the next 3 years, approved by the joint Elf/Agip technical committee last November (see table), total 170 billion lire, 56 billion of which are allocated to drilling operations and approximately 40 billion to the Rospo Mare B platform.

[End of Italian article; above-mentioned table and related French map and graph follow]:

Rospo Mare: Planned Expenditures (Millions of Lire)

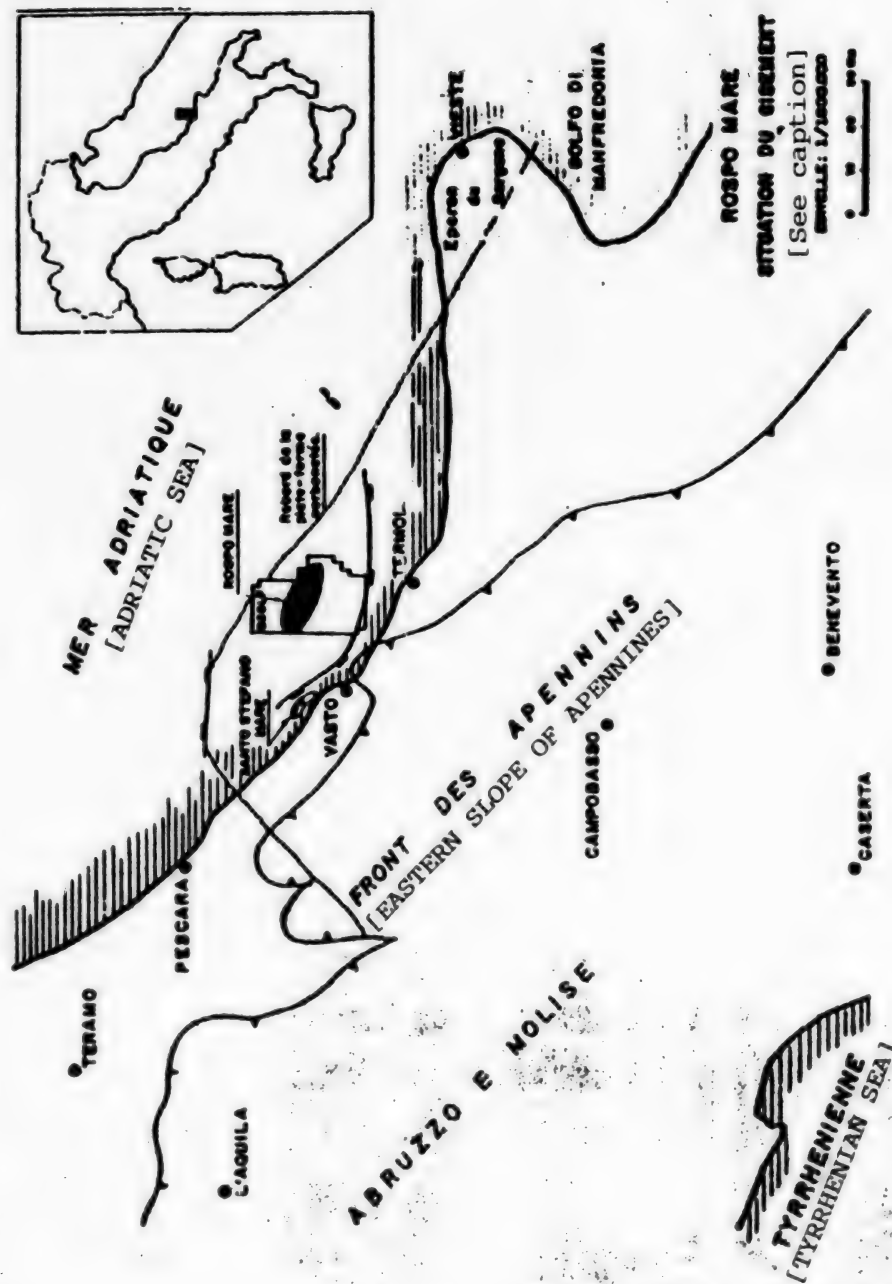
<u>Item</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>Total</u>
RSMB* well drilling	--	234	32,217	23,609	56,060
RSMA** structure	--	--	1,310	--	1,310
RSMB platform	269	17,462	21,992	--	39,723
RSMB processing	23	11,264	9,341	--	20,628
Mooring	--	3,428	14,132	--	17,560
Stowage	702	22,581	1,302	--	24,585
RSMA-RSMB sea line	--	--	6,556	--	6,556
RSMB-Stowage sea line	--	2,106	2,108	--	4,214
Total	994	57,075	88,958	23,609	170,636

*RSMB = Rospo Mare B

**RSMA = Rospo Mare A

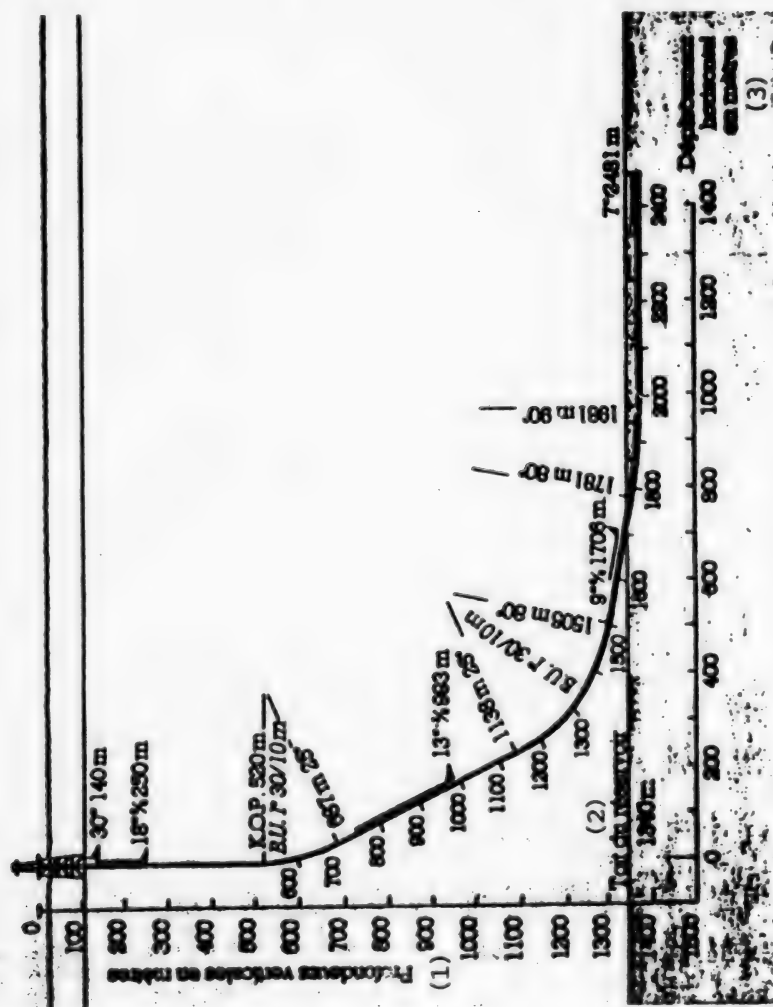
Site of Horizontal Well Drilling - Rospo Mare [*]

Scale: 1:1,000,000



*[Paris AFP SCIENCES in French 13 Jun 85 p 68]

Rospo Mare - Profile of Horizontal Drilling Trajectory [*]



Key:

1. Vertical depth in meters.
2. Roof of reservoir - 1,340 m.
3. Horizontal displacement in meters.

*[Paris APP SCIENCES in French 13 Jun 85 p 68]

9399
CSO: 3528/79

LABOR PARTY WANTS BIGGER BLOCK SHARE FOR THE STATE

Oslo AFTENPOSTEN IN Norwegian 20 Aug 85 p 11

[Article by Thorleif Andreassen: "Labor Party in a Letter to Willoch Regarding Block 34/8: Higher Share Demanded For the State"]

[Text] The Labor Party wants to be included in making decisions on how block 34/8 will be operated. This comes forth in a letter to the government. The party's finance policy spokesman Finn Kristensen phrases it as follows: "We are proposing to discuss with the government the division of the block. We are not talking about any milk platform here. This, in fact, involves enormous investments and values that have far-reaching national impact. Kristensen makes it clear that his party wants to increase the state's interests in block 34/8.

Yesterday, the central committee of the Labor Party sent a letter to Prime Minister Kare Willoch and the chairmen of the three government parties. It was strongly emphasized in the letter that it is important to cooperate in order to acquire broad political support for Norwegian oil policy.

At the same time, the Labor Party complains that there has not been any contact between the government and the Stortinget with the objective of reaching the most unifying solution with regard to block 34/8.

At the press conference yesterday, both party chairman Gro Harlem Brundtland and Finn Kristensen made it clear that they feel that the total share of the state should be increased considerably. The decision on which firms would then receive less and whether the sliding scale regulations would apply was left open for negotiations with the government.

It was, however, pointed out that all three Norwegian oil companies should have reasonable operating access. It was denied that the party had any one position in principle on the state having a 100-percent participation. That question would be evaluated each time.

What is clear, however, is that the Labor Party wants the government participation to be as great as possible. That comes forth clearly in the letter to the government and the nonsocialist party chairmen. It is maintained in the letter that so far there has been a broad political unity

about the necessity of operating the oil activities in such a way that they provide stimulus and growth conditions for our industry and economy. Moreover, the oil operations should yield the highest possible revenue to the state in the form of taxes, fees and profit.

"Such a low state share, 63 percent, as the government plans for block 34/8 in the North Sea means that the government will let billions in revenue slip through its fingers. If the expectations which the block offers prove correct and the oil prices remain high toward the end of the century, this could involve tens of billions. The Labor Party is unable to accept that the government gives away unnecessarily billions of our common national values," is stated in the letter, among other things.

The party wants the Stortinget to be involved in decision-making in connection with the block allotment and says that it cannot understand why the government has not called for a broad political cooperation on this matter.

To the question of why the Labor Party has waited with its initiative until now, the following answer was given: "We have for a long time tried to make contact and we are living in the hope of reaching negotiations based on a joint desire for a broad political unity on the central issues in Norwegian oil policy, including the framework for the State's participation in the oil activities."

9583
CSO: 3639/161

ENERGY

NORWAY

STATOIL VOWS TO MAINTAIN 'SECRET' OIL PRICING SYSTEM

Oslo AFTENPOSTEN in Norwegian 21 Aug 85 p 37

[Article by Martin Woldsdal: "Statoil Maintains Secret Oil Prices"]

[Text] Statoil has no plans whatsoever to resume the system of official crude oil prices. Eight months after the firm entered into secret, individual price agreements with each customer, based on the market situation, Statoil says that the new system has been successful.

"The pricing system functions extremely well," Statoil Press Spokesman Hakon Lavik tells AFTENPOSTEN. When the system was introduced in January of this year, the firm said that it would be a temporary measure. "So far, we have not made a decision on whether it should become permanent. But we have no plans to return to the old system of official, quarterly prices," says Lavik.

An increasingly larger quantity of crude oil sold in the world, is today sold at prices that reflect the market development. Experts estimate that as much as 70-80 percent of the world's oil production is sold outside the official price systems. Discounts, exchange arrangements and special contracts have become the dominating factors. At the same time, more and more oil is sold through the so-called spot-market at prices that are considerably lower than the official prices.

According to Hakon Lavik, Statoil's monthly prices are not, however, decided according to the development in the spot-market. More factors are involved.

As AFTDENPOSTEN has learnt, Statoil has in recent months obtained prices for its crude oil that on the average lie at least 10-20 cents per barrel above the spot prices.

Statoil entered into the system of secret, individual oil prices after receiving strong criticism from OPEC last fall. Statoil then lowered its official prices, which resulted in other oil producing countries having to follow suit.

After the new system was adopted, the OPEC criticism died down. Now it is only the level of the Norwegian oil production that is being criticized. Both OPEC and other producers have tacitly accepted Statoil's price policy.

The international crude oil market has been extremely quiet in recent weeks--after the OPEC meeting in Geneva in July. The oil companies buy little oil -- they are waiting to see what the situation will be through the fall. The companies hope that the prices will drop--that is why they do not venture to buy oil today that they may be able to buy much cheaper later in the fall.

The price of Saudi Arabia's Arabian Light Oil is priced at around \$27.40 per barrel for delivery in September. This is 60 cents below the official price of \$28 per barrel. Arabian Heavy sells for about \$25.25--75 cents below the new official price of \$26 per barrel--while Great Britain's Brent Blend gets up to the level of \$27.40 per barrel.

Experts in the international oil market are currently very cautious in predicting what will happen through the fall. No particular increase in the demand of crude oil is forecast--perhaps no increase at all.

Most expect that the prices will go down but how great the price reduction will be, is extremely uncertain. OPEC will probably have a new meeting of its ministers in Vienna in early October in one more attempt to agree on an effort that will keep the oil prices up. Until this meeting, it is expected that the market will remain waiting and quiet.

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CSO: 3639/161

ENERGY

NORWAY

STATOIL REPORTS STRONGLY IMPROVING PROFIT

Oslo AFTENPOSTEN in Norwegian 30 Aug 85 p 48

[Article: "Statoil Profit Increases Strongly"]

[Text] During the first half of 1985, the Statoil company had a 19.8 billion kroner turnover--3.6 billion kroner higher than during the same period last year. The profit before the annual settlement of accounts amounted to 6.1 billion kroner which means an improvement of 1.7 billion kroner compared to the first half of 1984.

After estimated taxes, the profit for the year's first 6 months will amount to 1.095 billion kroner which is well over 100 million kroner more than last year.

Statoil reports that these good results were achieved due to greater production in the Statfjord field and higher foreign exchange rates than estimated.

The total investments during the first half of 1985 were 2.7 billion kroner which was mainly connected with the Statpipe gas transport system, the C-platform and the Gullfaks and Oseberg fields.

For the first half of the year, Statoil will pay 4.650 billion kroner in taxes, almost 1.8 billion kroner more than during the same period last year.

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